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Internal Revenue Service

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Instructions for Form 1040NR

U.S. Nonresident Alien Income Tax Return

(Section references are to the Internal Revenue Code, unless otherwise specified.)

General Instructions

Paperwork Reduction Act Notice

We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Changes You Should Note

Alien Status Rules.—For tax years beginning after 1984, specific new rules for determining residency or nonresidency apply. Intent is no longer important in determining your residency status. You are considered a nonresident alien if you are neither a U.S. citizen nor a U.S. resident under either the **green card test** or the **substantial presence test.** You are also considered a nonresident alien if you otherwise meet the substantial presence test but you come under either of two exceptions to that test—the "exempt individual" exception or the "closer connection to foreign country" exception. These tests and exceptions are discussed later under **Alien Status.**

Tax Indexing.—The Tax Table and Tax Rate Schedules have been adjusted so that inflation will not result in tax increases. Similarly, the amount allowed as a deduction for each exemption has been increased to $1,040 and the zero bracket amounts for all filing statuses have been increased.

New Information Required for Business Use of Vehicles.—Beginning in 1985, you must answer certain questions on **Form 2106,** Employee Business Expenses, if you were an employee and you claim a deduction for business use of an auto or a light truck. Get Form 2106 for more details.

Purpose of Form

Form 1040NR is used by all nonresident alien individuals, whether or not engaged in a trade or business within the United States, who file a U.S. tax return. It is also used for filing nonresident alien fiduciary (estate and trusts) returns.

If you need more information than these instructions give, our free publications may help you. **Publication 519,** U.S. Tax Guide for Aliens, will be the most important, but these instructions refer to others you may find useful. The following publications may also help:

Publication 518, Foreign Workers, Scholars, and Exchange Visitors.

Publication 597, Information on the United States-Canada Income Tax Treaty.

Publication 901, U.S. Tax Treaties.

Publication 910, Taxpayer's Guide to IRS Information, Assistance and Publications.

These free publications and the forms and schedules you will need are available on request from the Internal Revenue Service. If you have a foreign address, send your order to: Richmond Distribution Center, P.O. Box 25866, Richmond, VA 23260.

Alien Status

Resident Alien or Nonresident Alien.—Generally, for tax years beginning after 1984, you are considered a resident alien if you meet either the lawful permanent residency test (the "green card" test) or the substantial presence test for the calendar year. You are considered a nonresident alien for the year if you are neither a U.S. citizen nor a U.S. resident under either of these tests.

- **Green card test.** You are a resident for tax purposes if you are a lawful permanent resident (immigrant) of the United States at any time during the calendar year.

- **Substantial presence test.** Alternatively, you are considered a U.S. resident if you meet the substantial presence test for the calendar year. Under this test, you must be physically present in the United States for at least:

(1) 31 days during the current calendar year, and

(2) 183 days during the current year and the 2 preceding years, counting all the days of physical presence in the current year but only ⅓ the number of days of presence in the first preceding year and only ⅙ the number of days in the second preceding year.

If you were not a U.S. resident alien at the end of calendar year 1984 under the residency rules in effect at that time, only days of presence after 1984 are counted for the substantial presence test. If you were a U.S. resident at the end of calendar year 1984 but not at the end of calendar year 1983, only days of presence after 1983 are counted. Days of presence in 1983 are counted only if you were a U.S. resident at the end of both calendar years 1983 and 1984.

Generally, you are treated as present in the United States on any day that you are physically present in the country at any time during the day.

There are two main exceptions to the substantial presence test. They are the exempt individual exception and the closer connection to a foreign country exception.

1. Exempt individual. You do not count days for which you are an exempt individual. In general, an exempt individual is an individual who is either a:

a. foreign government or international organization related individual,

b. teacher or trainee, or

c. student.

2. Closer connection to foreign country. Even though you would otherwise meet the substantial presence test, you are nevertheless not treated as meeting the test for the current calendar year if you:

a. Are present in the United States on fewer than 183 days during the current year, and

b. Establish that for the current year you have a tax home in a foreign country and have a closer connection to that country than to the United States.

For more information on resident and nonresident status, the new tests for residence and the exceptions to them, see Publication 519.

Who Must File

Use Form 1040NR if you:

- were a nonresident alien engaged in a trade or business in the United States during 1985. You must file a return on Form 1040NR even if:

a. none of your income came from a trade or business conducted in the United States,

b. you have no income from U.S. sources, or

c. your income is exempt from U.S. tax.

In any of the above three cases, you do not need to complete the schedules for Form 1040NR. Instead, attach a list of the kinds of exclusions you claim and the amount of each.

- were a nonresident alien not engaged in a trade or business in the United States during 1985 with income on which not all U.S. tax that you owe was withheld.

- represent a deceased person who would have had to file Form 1040NR.

- represent an estate or trust that would have had to file Form 1040NR.

Filing a Deceased Person's Return.—The spouse or personal representative must file the return for a deceased person who was required to file a return for 1985. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

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Filing for an Estate or Trust.—If you are filing Form 1040NR as the fiduciary of a nonresident alien estate or trust, you will need to change the form to reflect the provisions of Subchapter J, Chapter 1, of the Internal Revenue Code. The U.S. consulate nearest you should have a copy of the Internal Revenue Code to which you can refer.

When To File

Period Covered.—This Form 1040NR covers calendar year 1985 and fiscal years that began in 1985.

Individuals.—If you were an employee and received wages subject to withholding, file Form 1040NR by the 15th day of the 4th month after your tax year ends. A return for the calendar year is due by April 15 of the next year.

If you did not receive wages, as an employee subject to U.S. income tax withholding, file Form 1040NR by the 15th day of the 6th month after your tax year ends. A return for the calendar year is due by June 15 of the next year.

Estates and Trusts.—If you file for a nonresident alien estate or trust that has an office in the United States, file the return by the 15th day of the 4th month after the tax year ends. If you file for a nonresident alien estate or trust that does not have an office in the United States, file the return by the 15th day of the 6th month after the tax year ends.

Note: *If the regular due date for filing falls on a Saturday, Sunday, or legal holiday, use the next regular workday.*

If you know that you cannot file by the due date, you should ask for an extension using **Form 4868**, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return.

Note: *Form 4868 does not extend the time to pay your income tax.*

Where To File

File Form 1040NR with the Internal Revenue Service Center, Philadelphia, PA 19255, U.S.A.

Election To Be Taxed As a Resident Alien

Under some circumstances you can elect to be taxed as a U.S. resident for the whole year. You can make this election if either of the following applies to you:

- You were a nonresident alien on the last day of the tax year, but your spouse was a U.S. citizen or resident on the last day of the tax year.
- You were a nonresident alien at the beginning of the tax year, but you were a U.S. resident on the last day of the tax year and your spouse was a U.S. citizen or resident on the last day of the tax year. (This also applies if both you and your spouse were nonresident aliens at the beginning of the tax year and both were resident aliens at the end of the tax year.)

If you elect in 1985 to be taxed as a U.S. resident, you and your spouse must file a joint return on Form 1040 or 1040A for 1985. Your worldwide income for the whole year will be taxed in accordance with U.S. tax laws. You must agree to keep the records, books, and other information needed to figure the tax. If you made the election in an earlier year, you may file a joint return or separate return on Form 1040 or 1040A for 1985. Your worldwide income for the whole year must be included whether you file a joint or separate return.

If you are a nonresident alien married to a U.S. citizen or resident and you made the election for an earlier year, but neither you nor your spouse was a U.S. citizen or resident at any time during 1985, the election is suspended for the year. Otherwise, it stays in effect until: you or your spouse ends it; one of you dies; you are legally separated; or the Internal Revenue Service ends it.

To make the election, you must file Form 1040 or 1040A as your income tax return and attach a statement. The statement that is needed is described in Publication 519. IRS may cancel the election if your records are incomplete or if you do not show them to IRS on request. Once the election is terminated, neither of you can make it again for a later year.

Dual-Status Taxpayers

Dual-Status Tax Year

Note: *If you make the election to be taxed as a resident alien (discussed above), the special instructions and restrictions discussed here, do not apply.*

A dual-status year is one in which you change status between being a nonresident and resident alien. Different U.S. income tax rules apply to each status.

Most dual-status years are the years of arrival or departure. Before you arrive in the United States, you are a nonresident alien. After you arrive, you may be a resident or not, depending on the circumstances.

If you become a U.S. resident, you stay a resident until you leave the U.S. You may become a nonresident alien when you leave, if, after leaving (or after your last day of lawful permanent residency if you met the green card test) and for the remainder of the calendar year of your departure, you have a closer connection to a foreign country than to the United States, and, during the next calendar year, you are not a U.S. resident under either the lawful permanent resident test or the substantial presence test. (See Publication 519).

What To File for a Dual-Status Year

If you are a U.S. **resident** on the last day of the tax year, file your return on **Form 1040,** U.S. Individual Income Tax Return. Write "Dual-Status Return" across the top, and attach a statement to show your income for the part of the year you were a nonresident. You may use Form 1040NR as the statement; write "Statement" across the top.

If you are a **nonresident** on the last day of the tax year, file your return on Form 1040NR. Write "Dual-Status Return" across the top, and attach a statement to show your income for the part of the year you were a U.S. resident. You may use Form 1040 as the statement; write "Statement" across the top.

Statements.—Any statement you file with your return must have on it your name, address, and social security number (taxpayer identification number), but you need not sign the statement. Your signature on a return also applies to supporting statements and schedules.

When and Where To File for a Dual-Status Year

If you are a nonresident alien on the last day of your tax year, file your Form 1040NR and statement according to the instructions under **When To File** and **Where To File.** If you are a resident alien on the last day of your tax year, file your Form 1040 and statement according to the Form 1040 instructions.

Income Subject To Tax for Dual-Status Year

As a dual-status alien not filing a joint return, you are taxed on income from all sources for the part of the year you are a resident alien. Generally, you are taxed on income only from U.S. sources for the part of the year you are a nonresident alien. However, all income effectively connected with the conduct of a trade or business in the United States is taxable.

Income you receive as a dual-status taxpayer from sources outside the United States while a resident alien is taxable even if you become a nonresident alien after receiving it and before the close of the tax year. Conversely, income you receive from sources outside the United States while a nonresident alien is not taxable in most cases even if you become a resident alien after receiving it and before the close of the tax year. Income from U.S. sources is taxable whether you receive it while a nonresident alien or a resident alien.

Restrictions for Dual-Status Taxpayers

(1) Zero bracket amount.—You may not take advantage of the zero bracket amount allowed in the Tax Table and the Tax Rate Schedules. As a dual-status alien, you must itemize any allowable nonbusiness deductions. Because the Tax Table and the Tax Rate Schedules already take into consideration the zero bracket amount in figuring the tax shown, you must add to your income any excess of the zero bracket amount over your allowable itemized deductions before figuring the tax.

(2) Head of Household.—You may not use the head of household Tax Table column or Tax Rate Schedule.

(3) Joint Return.—You may not file a joint return. However, see **Election To Be Taxed As a Resident Alien,** on this page.

(4) Exemptions.—The total deduction for the exemptions of your spouse and allowable dependents may not exceed your taxable income (determined without regard to personal exemptions) for the period you are a resident alien, unless you are a resident of Mexico, Canada, or Japan, or are a U.S. national, for the period you are a nonresident of the U.S.

(5) Tax Rates.—If you are married and a nonresident of the United States for all or part of the tax year and you do not make the election to be taxed as a resident alien as discussed on this page, you must use the Tax Table column or Tax Rate Schedule for married filing separately to figure your tax on income effectively connected with a U.S. trade or business. You may not use the Tax Table column or Tax Rate Schedule for single.

Personal Exemptions.—As a dual-status taxpayer, you usually will be entitled to your own personal exemption. You are allowed exemptions for your spouse and dependents in figuring taxable income for the part of the year you are a resident alien. Unless you are a resident of Mexico, Canada, or Japan, or are a U.S. national for the period you are a nonresident of the U.S., the amount you may claim for these exemptions is limited to your taxable income (determined without regard to exemptions) for the part of the year you are a resident alien. You may not use exemptions (other than your own) to reduce taxable income to below zero for that period.

Special rules apply for exemptions for the part of the tax year a dual-status taxpayer is a nonresident alien if the taxpayer is a resident of Canada, Mexico, or Japan, or is a U.S. national.

Dividend Exclusion.—Dividend income received while you are a nonresident alien that is effectively connected with the conduct of a U.S. trade or business is eligible for the $100 dividend exclusion.

Dividends you receive while you are a resident alien are subject to the same rules that apply to U.S. citizens.

The dividend exclusion applies to the whole tax year and not separately to periods of residence or nonresidence.

How To Figure Tax for Dual-Status Tax Year

When you figure your U.S. tax for a dual-status year, you are subject to different rules for the part of the year you are a resident and the part of the year you are a nonresident.

All income for the period of residence and all income that is effectively connected with a trade or business in the United States for the period of nonresidence, after allowable deductions, is added and taxed at the same rates that apply to U.S. citizens and residents. Use the Tax Table or Tax Rate Schedules found later in these instructions. Income that is not effectively connected with a trade or business in the United States for the period of nonresidence is subject to the flat 30% rate or lower treaty rate. No deductions are allowed against this income.

If you are a resident alien on the last day of the tax year, add to the tax from the Tax Table or the Tax Rate Schedules, the tax on the noneffectively connected income. Enter the total tax on line 38, Form 1040. To the left of line 38 show the two amounts. If you are filing Form 1040NR, enter the tax from the Tax Table or Tax Rate Schedule on line 40 and the tax on the noneffectively connected income on line 54 of Form 1040NR.

Credits.—You are allowed a credit against your U.S. income tax liability for certain taxes that you paid, that you are considered to have paid, or that were withheld from your income. These include:

(1) The credit for tax withheld from wages earned in the United States and the credit for taxes withheld at the source from various items of income from U.S. sources other than wages.

When filing Form 1040, show your total tax withholding on line 57. Enter amounts from the attached statement (Form 1040NR, lines 58 and 66) to the left of line 57 and identify and include in the amount on line 57.

When filing Form 1040NR, show your total tax withholding on lines 58 and 66. Enter the amount from the attached statement (Form 1040, line 57) to the left of line 58 and identify and include in the amount on line 58.

(2) The credit for tax paid with **Form 1040-ES,** Estimated Tax for Individuals, or **Form 1040-ES (NR),** U.S. Estimated Tax for Nonresident Alien Individuals.

(3) The credit for tax paid with **Form 1040C,** U.S. Departing Alien Income Tax Return, at the time of departure from the United States. When filing Form 1040, include the tax paid with the total payments on line 64. Identify the payment in the area to the left of the entry.

As a dual-status alien, you generally may claim tax credits using the same rules that apply to resident aliens. Certain restrictions that may apply are discussed here, along with a brief explanation of credits often claimed by individuals.

Credit for the Elderly and the Permanently and Totally Disabled.—You must be a U.S. citizen or resident to claim this credit. You may not claim the credit if you were a nonresident alien at any time during your tax year.

Foreign Tax Credit.—If you have paid or are liable for the payment of income tax to a foreign country on income from foreign sources, you may be able to claim a credit for the foreign taxes.

See **Publication 514,** Foreign Tax Credit for U.S. Citizens and Resident Aliens.

Credit for Child and Dependent Care Expenses.—If you pay someone to care for your dependent who is under 15, or your disabled dependent or disabled spouse so that you can work or look for work, you may be able to take a tax credit.

For more information, get **Publication 503,** Child and Dependent Care Credit, and Employment Taxes for Household Employers.

Residential Energy Credit.—The credit is based on the cost of qualified items installed in your principal residence (located in the United States) before January 1, 1986. For more information, see **Publication 903,** Energy Credits for Individuals.

How To Report Income on Form 1040NR

Community Income.—If either you or your spouse, or both you and your spouse, are nonresident aliens, and you had community income during the year, treat the community income as provided by the applicable community property laws except as follows:

- Community earned income of a spouse, other than trade or business or partnership distributive share income. Treat this income as received by the spouse whose services produced it and report it on that spouse's separate return.
- Community trade or business income, other than partnership income. Treat this income as received by the husband unless the wife exercises substantially all of the management over the trade or business.
- Community partnership income (or loss) received from a trade or business carried on by the partnership. Treat this income (or loss) as received by the spouse who is the partner and report it on the return of that spouse.
- Community income derived from the separate property of one spouse that is not earned income, trade or business income, or partnership distributive share income. Treat this income as received by the spouse with the separate property and report it on that spouse's separate return.

See **Publication 555,** Community Property and the Federal Income Tax, for more information.

Kinds of Income.—You must divide your income for the tax year into three kinds. The kinds of income are:

(1) Income effectively connected with a U.S. trade or business. This income is taxed at the same rates that apply to U.S. citizens. Report it on lines 8 through 22. Publication 519 describes this income in greater detail.

(2) U.S. income not effectively connected with a U.S. trade or business. This income is taxed at 30% unless a treaty between your country and the United States has set a lower rate that applies to you. Report this income on page 4 and figure the tax on it. Then report the tax on line 54. Publication 519 describes this income more fully.

(3) Income exempt from U.S. tax. Answer questions K and L on page 3.

Dispositions of U.S. Real Property Interests

Gain or loss on disposition of a U.S. real property interest by a nonresident alien individual is treated as if the alien individual were engaged in a trade or business in the United States and as if the gain or loss were effectively connected with the conduct of that trade or business in the United States. See Code section 897.

Losses from such dispositions to be taken into account are limited to losses incurred in a trade or business, losses from transactions entered into for profit, and casualty or theft losses.

Report gains and losses on the disposition of U.S. real property interest on **Schedule D (Form 1040)** and Form 1040NR, line 14. Also, net gains are subject to an alternative minimum tax. See instructions for line 52.

The nonrecognition rules (not recognizing gain or loss) apply only when a U.S. real property interest is exchanged for an interest, the sale of which would be subject to U.S. tax.

Money and the fair market value of property received in exchange for an interest in a partnership, trust, or estate, will, to the extent attributable to a U.S. real property interest held by the partnership, trust, or estate, be considered as received from the sale or exchange of the U.S. real property interest.

Gains or losses from the disposition of a U.S. real property interest by a partnership, trust, or estate generally are passed through and must be reported on the income tax return of each partner or beneficiary.

U.S. Real Property Interests.—A U.S. real property interest is:

A. any interest (other than an interest solely as a creditor) in real property located in the United States or the Virgin Islands, including:

- an interest in a mine, well, or other natural deposit;
- fee ownership and co-ownership of land or improvements to land;
- leaseholds of land or improvements;
- options to acquire land or improvements or leaseholds of land or improvements; and
- movable walls, furnishings, and other personal property associated with the use of real property.

B. any interest (other than an interest solely as a creditor) in any domestic corporation unless the taxpayer establishes that the corporation was at no time a U.S. real property holding corporation during the period described in Code section 897(c)(1)(A)(ii).

A corporation is a U.S. real property holding corporation if the fair market value of its U.S. real property interests equals or exceeds 50 percent of the fair market value of its U.S. real property interests, interests in foreign real property, plus any other of its assets which are used or held for use in a trade or business.

For special rules that apply only for determining whether a corporation is a U.S. real property holding corporation, see Code section 897(c)(4) and (5).

An interest in a foreign corporation is a U.S. real property interest only if the foreign corporation has elected under Code section 897(i) to be treated as a domestic corporation.

However, an interest in a domestic corporation is not a U.S. real property interest if, at the date of disposition of the interest in the corporation: (a) the corporation did not hold any U.S. real property interests, and (b) all the U.S. real property interests held by the corporation during the shorter of the periods described in Code section 897(c)(1)(A)(ii):

1. were disposed of in a transaction in which all gain realized was recognized; or

2. ceased to be U.S. real property interests because of the application of Code section 897(c)(1)(B) to one or more other corporations.

Stock Regularly Traded.—If any class of stock of a domestic corporation is regularly traded on an established securities market, stock of this class is a U.S. real property interest only for a person who held more than 5% of that class of stock at any time during the shorter of the periods described in Code section 897(c)(1)(A)(ii).

Code section 897(h) provides special rules for a real estate investment trust.

Virgin Islands Real Estate.—Gain or loss on dispositions of real property interests located in the U.S. Virgin Islands will be reported on returns filed with the Virgin Islands tax authorities. Tax on these dispositions will also be paid to the Virgin Islands tax authorities.

Tax Withholding—U.S. Real Property.—If you dispose of a U.S. real property interest after 1984, the buyer may be required to withhold tax. Include any tax withheld in the total for line 58, Form 1040NR. For more information, see Publication 519 and **Form 8288,** U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests.

Income You May Elect To Treat as Effectively Connected With a U.S. Trade or Business

You may elect to treat some items of income as effectively connected with a U.S. trade or business.

The election applies to all income from real property or an interest in real property located in the United States and held for the production of income. Income from real property includes:

(a) Rental income from real property.

(b) Profit from disposing of U.S. timber, coal, or iron ore while keeping a share in it.

(c) Rents and royalties from mines, wells, or other natural deposits.

It does not apply to the disposition of an interest in U.S. real property discussed on page 3.

To make the election, you must attach a statement and give the following information:

(a) That you are making the election.

(b) A schedule of all U.S. real property or interests in real property (including location). (Give the legal identification of U.S. timber, coal, or iron ore in which you have an interest.)

(c) The extent of your interest in real property.

(d) A description of any substantial improvements on such real property.

(e) Your income from the property.

(f) The dates you owned it.

(g) Whether the election is under Code section 871(d) or treaty.

Foreign Income Taxed by U.S.

You may be required to report some income from foreign sources on your U.S. return, if it is effectively connected with a U.S. trade or business. For this foreign income to be treated as effectively connected with a U.S. trade or business, you must have a fixed place of business in the United States. The income, gain, or loss must result directly from the usual business activities of your U.S. office. The kinds of foreign income that may be taxed at the graduated rates are:

(a) Interest, dividends, gain or loss from transactions of stocks, bonds, notes, or other debt obligations from the U.S. business.

(b) Income from foreign sales made by your U.S. office.

(c) Rents or royalties you received for the use of intangible property located outside the United States or the privilege of using it. Such property includes patents, copyrights, trademarks, and franchises (including gain or loss from the sale or exchange of such property).

Specific Instructions—Form 1040NR

We have provided specific instructions for most of the lines on the form. Those lines that do not appear in these instructions are self-explanatory.

Page 1

Items in Heading

Name.—If you file Form 1040NR as a fiduciary, enter the estate's or trust's name in the heading, and attach a statement giving your name, title, address, and relationship to the trust (such as trustee or nominee). Also give the name and address of any U.S. grantors and beneficiaries.

Address.—If the post office delivers mail to your P.O. Box number rather than to your street address, use your P.O. Box number instead of your street address.

Identifying Number.—If you have a social security number or you are required to get a social security number, you must use it when an identifying number is required for federal tax purposes. For an estate or trust, use its employer identification number. In some cases, if you do not have a social security number, you may use an IRS-issued identifying number. If you do not have a social security number and are not otherwise required to get one, you should apply for an IRS-issued identifying number by writing to the IRS Service Center, Philadelphia, PA 19255. If an application has been made for a number but it has not been received, write "TIN applied for" on your tax return.

Filing Status and Exemptions for Individuals

(Exemptions for estates and trusts are described at the end of the instructions for line 38.)

A. Filing Status.—Check only one of the six numbered boxes. Your tax rate depends on the box you check. Before you decide which box to check, read the following explanations.

Were You Single or Married?—If you were married on December 31, consider yourself married for the whole year. If you were single, divorced, or legally separated under a decree of divorce or separate maintenance on December 31, consider yourself single for the whole year. If you meet the tests described under **Married Persons Who Live Apart,** you may consider yourself single for the whole year.

If your spouse died during 1985, consider yourself married to that spouse for the whole year, unless you remarried before the end of 1985.

Boxes 1 and 2.—Single Residents of Mexico and Canada, Single U.S. Nationals (American Samoans), and Other Single Nonresident Aliens.— Generally, you should check one of these boxes if you were single. If you check box 1, you can claim exemptions for your children and other dependents on the same terms as U.S. citizens. See **Publication 501,** Exemptions, for more information.

If you are a resident of Japan you may claim one exemption each for yourself, and for any of your children who lived with you in the United States at any time during 1985. The amount you actually deduct for exemptions is based on a proportion of your income. Publication 519 explains how to figure the amount you should deduct.

Married Persons Who Live Apart.— Some married persons who have a child and who do not live with their spouse may file as single and take advantage of lower tax rates. Both you and your spouse can file this way if both meet the tests.

If you meet **ALL 4** tests below and are a married resident of Canada or Mexico, or a U.S. national, check box 1 and file as a single person. If you meet the tests and are a married resident of Japan, check box 2 and file as a single person.

(1) You file a separate return from your spouse.

(2) You paid more than half the cost to keep up your home in 1985.

(3) Your spouse did not live with you at any time during the last 6 months of 1985.

(4) For over 6 months of 1985, your home was the principal home of your child or stepchild whom:

a. you can claim as a dependent, **OR**

b. You could claim as a dependent except that the child's other parent will claim the child as a dependent under the rules explained on this page for **Children of Divorced or Separated Parents.** Since the child is not your dependent, you must write the child's name in the space provided on line 7a, but do not enter an amount in the total column for this line.

Boxes 3 and 4—Married Residents of Canada, Mexico, and Japan, and Married U.S. Nationals.—If your spouse died during 1985, you can still file as married and claim any extra exemptions that would apply.

If you are a married resident of Mexico or Canada, or a married U.S. national (box 3), you can take the exemption for yourself, plus another one for your spouse if your spouse had no gross income for U.S. tax purposes and was not another U.S. taxpayer's dependent. In addition, you can claim up to four more exemptions for yourself and your spouse; one each for being 65 or over, and one each for being blind. You can claim exemptions for your children and other dependents on the same terms as U.S. citizens. See **Publication 501,** Exemptions, for more information.

If you are a married resident of Japan (box 4), you may claim one exemption each for yourself, and for your spouse and any of your children who lived with you in the United States at any time during 1985. You may claim your spouse's exemptions only if your spouse had no income from United States sources and is not another taxpayer's dependent. The amount you actually deduct for exemptions is based on a proportion of your income. Publication 519 explains how to figure the amount you should deduct.

Box 5—All other married nonresident aliens should check box 5.

Box 6—Qualifying Widow(er) With Dependent Child.—You can claim this status, which offers some tax benefits, if you met **ALL** the following tests for 1985.

(a) You were a resident of Mexico, Canada, or Japan, or a U.S. national.

(b) Your spouse died during 1984 or 1983, and you did not remarry before the end of 1985.

(c) Your dependent child, stepchild, adopted child, or foster child lived with you (except for temporary absences, such as for vacation or school).

(d) You paid over half the cost of keeping up the home for this child for the whole year.

(e) You were a resident alien or U.S. citizen the year your spouse died. This refers to your actual status, not the election that some nonresident aliens can make to be taxed as U.S. residents.

(f) You could have filed a joint return with your spouse for the year your spouse died. Whether you actually filed jointly does not matter.

If you met these tests for 1985, check box 6 and give the year of your spouse's death in the space provided. **Do not** claim an exemption for your spouse. You can claim the exemption only for the year your spouse died.

If you were a resident of Mexico or Canada, or a U.S. national, and you checked box 6, you can claim up to two additional exemptions for yourself, one for being 65 or over and one for being blind.

B. Exemptions.—Exemptions are amounts you can deduct from income connected with a U.S. trade or business. You can always take one exemption for yourself ($1,040 for 1985). If you are a resident of Mexico, Canada, or Japan, or a U.S. national, you may be able to take other exemptions as well. See Publication 519 for details. Always check the box labeled yourself. Check other boxes if they apply.

U. S. nationals include American Samoans.

Lines 7a through 7c

Children and Other Dependents

Line 7a—Enter the first names of your dependent children who lived with you (except for temporary absences, such as for vacation or school).

Line 7b—Enter the first names of your dependent children who did not live with you most of the year. If you are claiming a child under the rules explained on this page for **Children of Divorced or Separated Parents,** you must either:

- Attach **Form 8332,** Release of Claim to Exemption for Child of Divorced or Separated Parents; or similar statement, **OR**
- Check the box for pre-1985 agreements.

Line 7c—Enter the full names and other information for your other dependents. You can take an exemption for each person who is your dependent.

Children of Divorced or Separated Parents.—The parent who has custody of a child for most of the year (the custodial parent) can generally take the exemption for that child if the child's parents together paid more than half of the child's support. Beginning in 1985, this general rule also applies to parents who did not live together at any time during the last 6 months of the year. But the parent who does not have custody, or who has the child for the shorter time (the noncustodial parent), may take the exemption if either **(a)** or **(b)** below, applies.

(a) The custodial parent signs Form 8332 or similar statement, agreeing not to claim the child as a dependent for 1985, and the noncustodial parent attaches the form or similar statement, to his or her 1985 tax return, **OR**

(b) A decree of divorce or separate maintenance (or a written agreement between the parents), which was in effect before 1985 and not modified after 1984 to specify that this provision will not apply, states that the noncustodial parent can take the exemption and he or she gave at least $600 for the child's support in 1985. (You must check the box on line 7b for pre-1985 agreements.)

Lines 8 through 23

Income Effectively Connected With U.S. Trade or Business

You may need to see Publication 519 to see what income you should report here. The instructions for this section assume that you have decided that the income involved is effectively connected with a U.S. trade or business in which you are engaged. But your decision may not be easy. "Interest," for example, may be effectively connected with a U.S. trade or business, it may not be, or it may be tax exempt. The tax status of income also depends on its source. Under some circumstances, items of income from foreign sources are treated as effectively connected with a U.S. trade or business. Other items are reportable as effectively connected or not effectively connected with a U.S. trade or business, depending on how you elect to treat them. Publication 519 explains how income is classified.

Line 8—Wages, Salaries, Tips, Etc.— Enter the total of all wages, salaries, fringe benefits, fees, commissions, tips, bonuses, supplemental unemployment benefits and other amounts you were paid before taxes, insurance, etc., were taken out. For information on allocated tips, get **Publication 531,** Reporting Income from Tips.

Include in this total:

- The amount that should be shown in box 10 on **Form W-2.** Report all wages, salaries, and tips you received, even if you do not have a Form W-2.
- Tips received that you did not report to your employer. (Show any social security tax due on these tips on line 55—see the line 55 instructions.)

Note: *If you do not report the full amount of your tip allocation as gross income, you must be able to prove the lesser amount reported with adequate records.*

- Certain disability pensions if you are under age 65.

Note: *Except for certain disability income, pensions shown on* ***Form W-2P*** *are reported on line 17 or line 18a of Form 1040NR. However, you must report this income on line 90 if you were not engaged in a trade or business in the U.S. in 1985.*

- Payments by insurance companies, etc., not included on Form W-2. If you receive sick-pay or a disability payment that is effectively connected with your U.S. trade or business from anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 8. Attach a statement showing the name and address of the payer and amount of sick-pay or disability income.

- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. (Don't report the value of meals given you at work if they were provided for your employer's convenience. Also do not report the value of living quarters you had to accept on your employer's business premises as a condition of employment.)

- Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received. Don't report benefits that were gifts.

Note: *You must include all wages, salaries, etc., paid for your personal services, even if you signed over the income to a trust (including an Individual Retirement Arrangement or a Simplified Employee Pension), another person, a corporation, or tax exempt organization.*

If you want more information on reporting income received in the form of goods, property, meals, stock options, educational assistance provided by your employer under a qualified written plan, etc., please get **Publication 525,** Taxable and Nontaxable Income.

Fringe Benefits.—If you used an employer-provided highway motor vehicle for both personal and business use and your employer included 100% of the value of the vehicle in the wages, tips, and other compensation box (Box 10) of your W-2 form, you must use **Form 2106,** Employee Business Expenses, to claim a deduction for the business use of the vehicle. You must report on Form 1040NR, line 8, the total amount shown in box 10 of your W-2 form.

For more information on fringe benefits, get Publication 525.

Line 9—Interest Income.—Enter the interest you received from assets effectively connected with a U.S. trade or business. (If you received interest not effectively connected with a U.S. trade or business, report it on page 4, unless it is tax-exempt under a treaty. See **Publication 901,** U.S. Tax Treaties. In addition, interest from a U.S. bank, savings and loan association, or similar institution, and from certain deposits with U.S. insurance companies is tax-exempt if it is not effectively connected with a U.S. trade or business.)

For information on reporting Original Issue Discount (OID), get Publication 519.

Note: *Generally, the 30% tax on interest is repealed for certain portfolio interest on obligations issued after July 18, 1984. For more information, see Publication 519.*

Line 10a—Dividends.—Enter your total dividends from assets effectively connected with a U.S. trade or business. Dividends include:

Ordinary dividends.—These are paid out of earnings and profits and are ordinary income. Assume that any dividend you receive is an ordinary dividend unless the paying corporation tells you otherwise.

Capital gain distributions.—If you have other capital gains or losses, enter your capital gain distributions on **Schedule D (Form 1040).** If you don't need Schedule D to report any other gains or losses, don't use it. Instead, show 40% of your capital gain distributions on Form 1040NR, line 15, rather than on Schedule D.

Nontaxable distributions.—Some distributions are nontaxable because they are a return of your cost. They will not be taxed until you recover your cost. You must reduce your cost (or other basis) by these distributions. After you get back all of your cost (or other basis), you must report these distributions as capital gain.

Line 10b—Exclusion.—For 1985, you can exclude (subtract) up to $100 of certain effectively connected dividend income.

Dividends must be ordinary dividends from a domestic corporation to qualify for the exclusion.

The following taxable dividends **do not** qualify for the exclusion.

- Dividends from money market funds unless the corporation has told you how much of the dividends qualify.

- Dividends from foreign corporations, including controlled foreign corporations.

- Dividends from exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.

- Dividends paid on stock held by employee stock ownership plans.

For details on what qualifies for the exclusion, get **Publication 550,** Investment Income and Expenses.

Line 11—Taxable Refunds of State and Local Income Taxes.—If you received a refund (or credit or offset) of state or local income taxes in 1985 that you paid before 1985, you may receive **Form 1099-G,** Certain Government Payments, or similar statement, showing the refund. You may have to report all or part of this amount as income if itemized deductions (on Form 1040NR or **Schedule A (Form 1040)**) for state and local income taxes in the year you paid the taxes resulted in a tax benefit.

Do not report the refund as income if it was for a tax you paid in a year for which you did not itemize deductions on Form 1040NR or Schedule A (Form 1040).

If you need help in figuring this amount, please get Publication 525.

If, on page 3, you deduct state or local income taxes you paid in 1985, do not reduce that deduction by any tax refund for an earlier year. However, if the refund is for 1984 and you made a 1984 estimated tax payment in 1985, see Publication 525.

Line 12—Scholarships and Fellowships.—Report the total here and show any nontaxable part on line 29. Attach a statement that shows: the amount of your grant, the dates it covers, the grantor's name, what expenses the grant covers, and the conditions under which it was given to you. Explain how much was taxable, how much was tax exempt, and why. You will probably need to see the guidelines in **Publication 518,** Foreign Workers, Scholars, and Exchange Visitors.

Line 13—Business Income or (Loss).—Enter the income or (loss) from your own trade or business in the United States. Include any income you received as a dealer in stocks, securities, and commodities through your U.S. office. If you deal in these items through an independent agent such as a U.S. broker, custodian, or commissioned agent, your income may not be considered effectively connected with a U.S. business. For general information on business income or loss, please see the instructions for **Schedule C (Form 1040),** and get **Publication 334,** Tax Guide for Small Business.

Line 14—Capital Gain or (Loss).—Please see the instructions for **Schedule D (Form 1040).** Enter the effectively connected gain or (loss) from Schedule D. You may need **Publication 544,** Sales and Other Dispositions of Assets, and **Publication 550,** Investment Income and Expenses.

Gains and losses from disposing of U.S. real property interests are taxed as if you are engaged in a U.S. trade or business, and the gain or loss is treated as effectively connected with that trade or business. See **Dispositions of U. S. Real Property Interests** on page 3.

Line 15—Capital Gain Distributions.—If you do not need Schedule D (Form 1040) for other capital transactions, enter 40% of your capital gain distributions for the year on line 15.

If you have other capital gains or losses, include these distributions on Schedule D (Form 1040).

Line 16—Other Gains or (Losses).—If you sold or exchanged assets used in a U.S. trade or business, figure the gain or (loss) on **Form 4797,** Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions. You may also need Publication 544.

Line 17—Fully Taxable Pensions, IRA Distributions, and Annuities.—Use this line to report fully taxable effectively connected pension and annuity income and regular Individual Retirement Arrangement (IRA) distributions you receive in 1985. In general, you should receive a **Form W-2P** showing the amount of your pension or annuity.

Your pension or annuity payments are fully taxable if:

- you did not contribute to the cost of your pension or annuity, or
- you got back tax free your entire cost before 1985.

Also include on line 17 military retirement pay shown on Form W-2P, and distributions from an IRA (including premature distributions, but not rollovers).

If you received taxable railroad retirement benefits (other than tier 1 benefits), enter on line 17 the amount from Box 12 of your **Form RRB-W-2P.** If an amount is shown in Box 13 of your form, see **Publication 575,** Pension and Annuity Income, for information on how to report your benefits.

However, if these benefits are not effectively connected with your U.S. trade or business, report them on line 90 , Form 1040NR.

Some annuities are tax exempt. See Code section 871(f).

Show other effectively connected pensions and annuities, including rollovers, on lines 18a and 18b.

Line 18—Other Pensions and Annuities, Including Rollovers.— Report effectively connected pension and annuity income that is not fully taxable. In general, you should receive a **Form W-2P** showing the amount of your pension or annuity. If your Form W-2P does not show the taxable part of your pension or annuity, you must figure the taxable amount as explained below. Also, include effectively connected distributions from profit-sharing, retirement plans, employee-savings plans, and individual retirement arrangement rollovers.
Do not use line 18 to report any taxable social security. Instead, see the instructions on page 13.

The pension, annuity, or employee-savings plan may not be taxable until a later year if:

a. both you and your employer contributed to it, **and**

b. the total amount you can expect to receive within 3 years from the date you get your first payment equals or exceeds your full cost.

If you meet the requirements of **a** and **b** above, complete the worksheet on this page to figure the taxable part of your pension or annuity. After you get back your full cost, all payments you receive are fully taxable. Your cost includes amounts you contributed and amounts your employer contributed that you reported as income.

Example: You retired in 1985 with a monthly pension of $300. Both you and your employer contributed to it. Your pension cost was $6,140. The amount you can expect to receive within 3 years is $10,800 (36 months × $300 = $10,800). Since this amount is more than your cost ($6,140), you should exclude your pension until the payments total $6,140. After that, they are fully taxable and you should report them on line 17. However, you must report this income on line 90 if you were not engaged in a trade or business in the U.S. in 1985.

Worksheet (keep for your records)

1a	Enter your cost	
b	Cost recovered in prior years	
c	Subtract line 1b from line 1a	
2	Amount received this year. Also enter this amount on Form 1040NR, line 18a	
3	Amount on line 2 that is not taxable (but not more than line 1c)	
4	**Taxable part.** Subtract line 3 from line 2. Enter the result here and on Form 1040NR, line 18b (if zero, enter -0-)	

Note: *If you had more than one pension or annuity that is not fully taxable, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040NR, line 18b.*

If the amount you expect to receive within 3 years will not equal or exceed your cost, you must use special rules to report your pension or annuity income. If you must use this method, enter the amount you received this year on line 18a. Enter the taxable part on line 18b.

For more information, get Publication 575. Retirees from the Federal government should get **Publication 567,** U.S. Civil Service Retirement and Disability. For information on military disability pensions, get Publication 525.

Caution: Certain transactions, such as loans against your interest in a qualified plan, may be taxable distributions and may also be subject to penalties. For more information, see Publication 575.

For information on "rollovers" of distributions from an IRA, get **Publication 590,** Individual Retirement Arrangements (IRA's).

For information on lump-sum distributions from a profit-sharing or retirement plan, get **Form 4972,** Special 10-Year Averaging Method, or **Form 5544,** Multiple Recipient Special 10-Year Averaging Method, and separate instructions.

Line 19—Rents, Royalties, Partnerships, Estates, Trusts, etc.— Please see the instructions for **Schedule E (Form 1040).** Enter the income or (loss) that is effectively connected with your U.S. business from Schedule E.

Line 20—Farm Income or (Loss).— See the instructions for **Schedule F (Form 1040)** and also get **Publication 225,** Farmer's Tax Guide. Enter the income or (loss) from Schedule F.

Line 21—Unemployment Compensation.— Unemployment compensation (insurance) you receive may be taxable in some cases.

You should receive a statement, on **Form 1099-G,** showing the total unemployment compensation paid to you during the year. For payments in 1985, you should receive this statement by January 31, 1986.

Note: *Supplemental unemployment benefits from a company-financed supplemental unemployment benefit fund are wages. They are not considered unemployment compensation for this computation. Report these benefits on Form 1040NR, line 8.*

To see if any of the unemployment compensation is taxable, fill in the following worksheet.

Unemployment Compensation Worksheet

Check Only One Box

- ☐ **A.** Married not filing a joint return and lived with your spouse at any time during the year—enter -0- on line 8 below.
- ☐ **B.** Married not filing a joint return and **DID NOT** live with your spouse at any time during the year—enter $12,000 on line 8 below.
- ☐ **C.** All others—enter $12,000 on line 8 below.

1	Enter total unemployment compensation from Form(s) **1099-G** here and on Form 1040NR, line 21a	
2	If you received an overpayment of unemployment compensation in 1985 and repaid it in 1985, enter the repayment here. Also write "repayment" and show the amount repaid on the dotted line to the left of line 21a	
3	Subtract line 2 from line 1	
4	Add the amounts shown on Form 1040NR, lines 8 through 20 plus line 22 (do not include any unemployment compensation in this figure)	
5	Add lines 3 and 4	
6	Add the amounts shown on Form 1040NR, lines 24 through 29 plus any write-in adjustments included in the total on line 30	
7	Subtract line 6 from line 5	
8	Enter {-0- if you checked box A; $12,000 if you checked box B or C.}	
9	Subtract line 8 from line 7. If zero or less, enter -0- on Form 1040NR, line 21b. Do not complete lines 10 or 11. Otherwise go on to line 10	
10	Divide the amount on line 9 by 2	
11	**Taxable unemployment compensation.** Compare amounts on lines 3 and 10 above, and enter the smaller of the two amounts here and on Form **1040NR,** line 21b	

Line 22—Other Income.—Use line 22 to report any income effectively connected with your business that you cannot find a place for on your return or other schedules. List the type and amount of income. Some examples of other income are:

- Amounts recovered on bad debts that you deducted in an earlier year.
- Excess payments received from your employer for business expenses (your employer paid you more than you spent) if the amount your employer paid you is not included on line 8, Form 1040NR.

For more information, see Miscellaneous Taxable Income, in Publication 525, Taxable and Nontaxable Income.

Net operating loss. If you had a net operating loss in an earlier year to carry forward to 1985, enter it as a minus figure on line 22. Attach a statement showing how you figured the amount. See **Publication 536,** Net Operating Losses and the At-Risk Limits, for more details.

Report other income on page 4 if not effectively connected with a U.S. trade or business.

Lines 24 through 30

Adjustments to Income

Adjustments are amounts you can subtract from your income effectively connected with a U.S. trade or business.

Line 24—Moving Expense.— Employees and self-employed persons (including partners) can deduct certain moving expenses. Your new work place must be at least 35 miles farther from your old residence than your old work place was, and your move must be in connection with your job or business.

If you meet these requirements, you should see **Form 3903** for details. Use Form 3903 to figure the amount of moving expenses to show on line 24.

If your employer paid for any part of your move, you must report that amount as income on Form 1040NR, line 8. Your employer should give you a **Form 4782** and include the amount paid in the wages, tips, and other compensation box (box 10) on your **Form W-2.** For more information, please see Form 3903 and **Publication 521,** Moving Expenses.

Line 25—Employee Business Expenses.— You can deduct certain business expenses that were not paid by your employer. You can use **Form 2106** to deduct travel, transportation (but not commuting to and from work), and meals and lodging while away from home. On line 77 deduct all other business expenses, such as professional dues, tools, uniforms, materials, and telephone calls (that were not paid by your employer). Outside salespersons must use Form 2106 to claim their business expenses on line 25. For more information, please get **Publication 463,** Travel, Entertainment, and Gift Expenses, and **Publication 529,** Miscellaneous Deductions.

Line 26—Individual Retirement Arrangement (IRA) Deduction.—You can deduct on line 26 contributions made to your IRA (including those made under a Simplified Employee Pension (SEP) plan).

Schedule C or F filers with a SEP and partners with a SEP take the deduction on line 27.

You should receive a statement showing contributions made to your IRA for 1985. Before you figure your IRA deduction, please note the following:

- If you made contributions to your IRA in 1985 that you deducted on your 1984 tax return, **do not** include those contributions on your 1985 tax return.
- If you made contributions to your IRA in 1986 by the due date of your return (not including any extensions) for 1985, be sure to include these contributions when you figure your IRA deduction for 1985.
- If your IRA deduction on line 26 is less than your IRA contributions and you do not withdraw this excess contribution before your return is due, you must file **Form 5329** and pay the tax due on the excess contribution.
- Do not include trustee's fees that were billed separately and paid by you for your IRA. These fees can be deducted only as an itemized deduction on Form 1040NR, page 3.
- Do not include "rollover" contributions in figuring your deduction. See Publication 590 for more details on rollover contributions.

Use the worksheet on this page to figure your IRA deduction. However, if either of the following apply, use the worksheet in Publication 590 instead of the one on this page to figure your deduction:

1. Your employer made contributions to your IRA under a SEP plan. Under a SEP plan, you can deduct the smallest of: the amount of your employer's contributions to your SEP-IRA that is included in your income, 15% of your wages or other earned income, or $30,000.
2. You made deductible employee contributions (DECs) to a qualified employer plan.

IRA Worksheet (keep for your records)

Your IRA.—Complete lines 1 through 4 if you worked and had an IRA.

1a	Amount contributed to your IRA in 1985, that you are deducting for 1985	_____
	Note: *Do not include on line 1a any amount you contributed in 1985 and deducted on your 1984 return, any employer's SEP contributions, any DECs, or any rollover contributions.*	
1b	Amount contributed to your IRA in 1986, by the due date of your return (not including extensions) that you are deducting for 1985 .	_____
1c	Add lines 1a and 1b. Enter the total	_____
2	Enter your wages and other earned income from Form 1040NR, minus any deductions you claim on Form 1040NR, line 27. (Do not reduce your wages by losses from self-employment.)	_____
3	Maximum amount	$2,000
4	Compare amounts on lines 1c, 2, and 3, and enter the smallest of the three amounts on line 4. Also enter the amount from line 4 on Form 1040NR, line 26	_____

Line 27—Keogh Retiren.ent Plan Deduction.—You must be self-employed to claim this deduction. Sole proprietors and partners enter the allowable deduction for contributions to your Keogh plan and your SEP on line 27.

There are two types of Keogh retirement plans:

- **Defined-contribution plan.**—This plan provides an individual account for each person in the plan. In general, if contributions to the plan are geared to the employer's profits, the plan is a profit-sharing plan. If contributions are not based on the employer's profits, the plan is a money purchase pension plan.
- **Defined-benefit plan.**—The deduction for this type of plan is determined by the investment needed to fund a specific benefit at retirement age. Write "DB" on the line to the left of the amount if you have a defined-benefit plan.

For more details, get **Publication 560,** Self-Employed Retirement Plans.

Line 28—Penalty for Withdrawing Savings Early.—If you were charged for withdrawing funds early from a U.S. time savings account the interest from which is connected with your business, you can deduct the penalty here. The Form 1099 that the bank or savings and loan gives you shows how much penalty you were charged. (Be sure to include the interest income on Form 1040NR, line 9.)

Line 29—Scholarships and Fellowships Excluded.—See the line 12 Instructions.

Line 30—Total Adjustments.—Add lines 24 through 29 and enter the total on line 30. Also, include in the total on line 30 any of the following adjustments. (They must be connected with effectively connected income.)

Forestation/Reforestation Amortization. If you can claim a deduction for amortization of the costs of forestation or reforestation and you do not have to file Schedule C or F (Form 1040) for this activity, include your deduction in the total on line 30. Write "Reforestation" in the space to the left of the total.

Repayment of Sub-pay Under the Trade Act of 1974. If you repaid supplemental unemployment benefits (sub-pay) that you previously reported in income because you became eligible for payments under the Trade Act of 1974, include the amount you repaid in 1985 in the total on line 30. Write "Sub-pay TRA" in the space to the left of the total. Or, you may be able to claim a credit against your tax instead. See Publication 525 for more details.

Line 31—Adjusted Gross Income.— Subtract line 30 from line 23 and enter the result on line 31. This is your adjusted gross income. Also enter your adjusted gross income on page 2, line 32.

If line 32 is less than zero, you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see Form 1045. For more information, get Publication 536.

Page 2

Lines 32 through 42

Tax Computation on Income Effectively Connected With a U.S. Trade or Business

Line 33—Itemized Deductions.—Enter the amount from line 83, page 3. The instructions on pages 12 and 13 explain how to figure this amount.

Line 35—Excess Itemized Deductions.—If the itemized deductions on line 33 are larger than the zero bracket amount on line 34, subtract line 34 from line 33 and enter the excess itemized deductions on line 35. If line 34 is larger than line 33, make no entry on line 35.

Line 36—Unused Zero Bracket Amount.—If the zero bracket amount on line 34 is more than the itemized deductions on line 33, subtract line 33 from line 34 and enter the difference on line 36. This is your unused zero bracket amount. If line 33 is larger than line 34, make no entry on line 36.

Line 37—If an amount appears on line 35, subtract it from line 32 and enter the difference on line 37. If an amount appears on line 36, add it to line 32 and enter the total on line 37.

Line 38—Exemptions.—You can claim exemptions only to the extent of your income that is effectively connected with a U.S. trade or business.

If you file as an **individual,** use the chart below to find the amount to enter on line 38. If you claimed more than ten exemptions, multiply $1,040 by the number of exemptions entered on line 7d. However, if you are a resident of Japan, you must figure the exemptions for your spouse and children according to the proportion your U.S. income bears to your total income. For details, get Publication 519.

If the number on Form 1040NR, line 7d, is:	On Form 1040NR, line 38, enter:
1	$1,040
2	2,080
3	3,120
4	4,160
5	5,200
6	6,240
7	7,280
8	8,320
9	9,360
10	10,400

If you file for an **estate,** enter $600 on line 38. If you are filing for a **trust** whose governing instrument requires it to distribute all its income currently, enter $300 on line 38. Any other trust is allowed an exemption of $100.

Line 40—Tax.—You must use the Tax Rate Schedules to figure your tax if:

- Your taxable income is $50,000 or more, or
- You file for an estate or trust.

Otherwise, you **MUST** use the Tax Table to find your tax.

Be sure to use the correct column in the Tax Table. When you find the correct tax, enter that amount on line 40. The example at the beginning of the table may help you find the correct tax.

Line 41—Additional Taxes.—Check the box(es) on line 41 to report any of the additional taxes listed below.

Form 4970, Tax on Accumulation Distribution of Trusts.

Form 4972, Special 10-Year Averaging Method.

Form 5544, Multiple Recipient Special 10-Year Averaging Method.

Lines 43 through 51

Credits

Line 43—Credit for Child and Dependent Care Expenses.—You may be able to take a credit here for payments you made for child and disabled dependent care while you worked or looked for work.

The credit is allowed if you kept up a home that included a child under age 15 or your dependent who could not care for himself or herself.

Please see **Form 2441** and **Publication 503,** Child and Dependent Care Credit, and Employment Taxes for Household Employers, for more information, including special rules for divorced or separated parents and certain employment taxes for which you may be liable.

Line 44—Residential Energy Credit.—You may be able to take a credit if you installed certain energy saving items in your principal residence during 1985, or you have an energy credit carryover from the year before. To qualify as your principal residence, your residence must be the home in the United States where you live (you may own it or rent it from another person).

A summer or vacation home does not qualify.

To figure the credit, use **Form 5695,** Residential Energy Credit. It tells you which energy saving items qualify and how to take the credit. Also, see **Publication 903,** Energy Credits for Individuals, for more information.

Correction to Form 5695, line 29. Disregard the following sentence: "If less than $10, enter zero."

Line 45—Partial Credit for Political Contributions for Which You Have Receipts.—You may take a tax credit on this line for contributions to candidates for public office in the U.S. and to newsletter funds and political committees of candidates and elected public officials.

To figure your credit, add up the amounts you gave. Enter half of this total on line 45, but do not enter more than $50.

Note: *You cannot deduct political contributions as charitable contributions.*

For more information, please see **Publication 585,** Voluntary Tax Methods to Help Finance Political Campaigns.

Line 46—Personal Credits.—Add lines 43 through 45 and enter the total on line 46. Also include in the total on line 46 any Mortgage Interest Credit.

Mortgage Interest Credit. Beginning in 1985, you may be able to take a credit for part of the interest you paid on your home mortgage if you were issued a mortgage credit certificate by a state or local government under a qualified mortgage credit certificate program to buy, rehabilitate, or make improvements to your principal residence. Use **Form 8396,** Mortgage Interest Credit, to figure the credit. Include the amount of the credit in your total for line 46. On the dotted line next to this total, write "MIC" (mortgage interest credit) and show the amount.

Line 47—Subtract the amount on line 46 from the amount on line 42 and enter the result. However, if the amount on line 46 is more than the amount on line 42, do not enter less than zero (0) on line 47 because your total credits on lines 43 through 45, plus any mortgage interest credit included on line 46, **cannot** be more than your tax shown on line 42. This is your net tax liability before the foreign tax credit and the general business and other credits.

Line 48—Foreign Tax Credit.—**Form 1116** shows how to figure a credit for payment of income tax to a foreign country. To take it, you must report income from foreign sources (see **"Foreign Income Taxed by U.S."** on page 4). You also must have paid or owe foreign tax on that income. See Publication 519.

Line 49—General Business Credit.—Check the box(es) on line 49 if you can take any of the three credits listed below. Use the appropriate credit form (as described below) to figure the credit. If you have only one credit, enter on line 49 the amount of the credit from the form.

However, if you have a credit carryforward or take two or more of these credits, you must also complete **Form 3800** to figure the total credit. Enter on line 49 the amount from Form 3800. Also be sure to check the box on line 49 for Form 3800.

Form 3468, Computation of Investment Credit. You are allowed a credit for investing in certain types of trade or business property. Use Form 3468 to figure the credit.

Form 5884, Jobs Credit. If you are a business employer who hires people who are members of special targeted groups, you may qualify for this credit. Use Form 5884 to figure the credit. Get **Publication 906,** Jobs and Research Credits, for more details.

Form 6478, Credit for Alcohol Used as Fuel. If you sell straight alcohol (or an alcohol mixture) at retail or use it as fuel in your trade or business, you may be able to take a credit for the alcohol used as fuel. Use Form 6478 to figure the credit.

Line 50—Add amount on lines 48 and 49 and enter the total on line 50. Also include in the total on line 50 any of the following credits.

Credit for Fuel From a Nonconventional Source. A credit is allowed for the sale of qualified fuels produced from a nonconventional source. See Code section 29 for a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule showing how you figured the credit. Include the credit in the total for line 50. On the dotted line next to this total, write "FNS" and show the amount.

Credit for Increasing Research Activities. You may be able to take a credit for research and experimental expenses paid or incurred in carrying on your trade or business. Figure the credit on **Form 6765,** Credit for Increasing Research Activities. Include the credit in your total for line 50. On the dotted line next to this total, write "Research" and show the amount.

Line 51—Tax After Credits.—Subtract line 50 from line 47 and enter the result on line 51. If the amount on line 51 is zero or less, enter zero (0). This is your tax after credits and before other taxes.

Lines 52 through 57

Other Taxes

Line 52—Alternative Minimum Tax.—You may be liable for the alternative minimum tax if your adjusted gross income added to your tax preference items total more than:

- $40,000 if qualifying widow(er) with dependent child, or
- $30,000 if single, or
- $20,000 if married filing separately.

Tax preference items include:

- dividend exclusion;
- accelerated depreciation;
- amortization of certified pollution-control facilities;
- capital gain deduction;
- mining exploration and development costs;
- reserves for losses on bad debts of financial institutions;
- depletion;
- incentive stock options;
- intangible drilling costs; and
- circulation and research and experimental expenditures.

If any of the above apply, get **Form 6251,** Alternative Minimum Tax Computation, to see if you are liable for this tax.

A net gain on disposing of U.S. real property interests may be subject to the alternative minimum tax. Use Form 6251 and the following worksheet to figure the tax.

Worksheet

First complete Form 6251 through line 7, and enter a tentative amount on line 8. Then make the following computation:

A Enter the amount from line 5, Form 6251	
B Enter your net U.S. real property gain for the tax year	
C Enter the smaller of A or B . . .	
D Enter 20% of line C	

If the amount on line D is more than the amount you entered on Form 6251, line 8, use that amount instead for line 8. Then complete the rest of Form 6251 using the correct amount on line 8. Enter the amount (if any) from Form 6251, line 12, on Form 1040NR, line 52. If the alternative minimum tax applies, attach Form 6251 and a copy of this page to your return.

Line 53—Tax From Recapture of Investment Credit.—You may owe this tax if you disposed of investment credit property before the end of its useful life or recovery period.

See **Form 4255,** Recapture of Investment Credit, for details. Enter any tax from Form 4255 on this line.

Line 55—Social Security Tax on Tip Income Not Reported to Employer.—If you received tips of $20 or more in any month and you did not report the full amount to your employer, you must pay the social security or railroad retirement tax on the unreported tips.

To figure social security tax on unreported tips, complete **Form 4137,** Computation of Social Security Tax on Unreported Tip Income. On line 55 enter the tax from Form 4137, line 10.

To determine railroad retirement tax on unreported tips, contact a Railroad Retirement Board office. On line 55, enter the tax and next to it, write "RRTA" on the dotted line.

Be sure to include all your tips in the income on line 8.

You may be charged a penalty equal to 50% of the social security tax due on tips you received and did not report to your employer.

Line 56—Tax on an IRA.—If you owe tax on any early distributions from your IRA, any excess accumulations in your IRA, or any excess contributions made to your IRA account, use **Form 5329** to figure the tax. Enter the total tax on line 56.

Line 57—Total Tax.— Add lines 51 through 56. Enter the total on line 57. Also include on line 57 any of the following four taxes that apply.

Section 72 Penalty Taxes. Beginning in 1985, if you are or were a 5% owner of a business and you received income from a premature or excessive distribution from a Keogh plan or trust, you will have to pay a penalty tax of 10% of the distribution. See Publication 560 for more details. Or, if you were an employee, you made any deductible contributions to your employer's qualified plan, and you received income from a premature distribution, you may have to pay a penalty tax. These penalty taxes are in addition to the regular income tax.

If you received certain premature distributions from an annuity contract, you may have to pay a 5% penalty tax on the taxable part of the distribution. See Publication 575 for more details.

Include the amount of the penalty in your total for line 57. On the dotted line next to this total, write "Section 72 penalty" and show the amount.

Advance Earned Income Credit (AEIC) Payments. If you received advance EIC payments (AEIC), the amount will be shown on your Form W-2. Include the amount of these payments in your total for line 57. On the dotted line next to this total, write "AEIC" and show the amount.

Note: *The amount of earned income credit that you can actually take will be figured on the worksheet in the 1985 Form 1040 Instructions and entered later on line 60.*

Uncollected Employee Social Security and RRTA Tax on Tips. If you did not have enough wages to cover the social security tax or railroad retirement tax (RRTA) due on tips you reported to your employer, the amount of tax due will be shown on your **Form W-2.** Include that amount in the total on line 57. On the dotted line next to this total, write "Uncollected Tax on Tips" and show the amount.

Golden Parachute Payments. Golden parachute payments are certain payments made by a corporation to key employees to compensate them if control of the corporation changes. If you received an excess parachute payment, you must pay a tax equal to 20% of this excess payment. Include the amount of this tax in your total for line 57. On the dotted line next to this total, write "EPP" and show the amount of the tax.

If you received a Form W-2 that includes a parachute payment, the amount of tax withheld on any excess payment should be identified in Box 16 of Form W-2. Include the amount from Box 16 in the total for line 57.

If you received a **Form 1099-MISC** that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 57.

Lines 58 through 67

Payments

Line 58—Total Federal Income Tax Withheld.—Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2G, W-2P, 1099-R, and 8288-A.** Enter the total on line 58.

If line 58 includes amounts withheld as shown on Form 1099-R, on the dotted line to the left of line 58 write "Form 1099-R."

Attach the first copy or Copy B of Forms W-2, W-2G, and W-2P to the front of Form 1040NR. Also, attach Copy B of Form 8288-A to Form 1040NR.

Line 59—1985 Estimated Tax Payments.— Enter on this line any payments you made on your estimated Federal income tax (Form 1040-ES (NR)) for 1985. Include any overpayment from your 1984 return that you applied to your 1985 estimated tax.

If you and your spouse paid joint estimated tax (Form 1040-ES) but are now filing separate income tax returns, either of you can claim all of the amount paid. Or, you can each claim part of it. Please be sure to show both social security numbers on the separate returns.

Name Change. If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040NR explaining all the payments you made in 1985, the Service Center where you made the payments, and the name(s) and social security number(s) under which you made the payments.

Line 60—Earned Income Credit.—If line 32 is less than $11,000, you received earned income, and you checked filing status box 6, see **Earned Income Credit** (line 59) on page 16 of the Instructions for Form 1040. If you can take the credit, enter on line 60 the credit from line 5 or line 6c, of the worksheet on page 16 of the Form 1040 Instructions, whichever applies. **Publication 596,** Earned Income Credit, may also be helpful.

Line 61—Amount Paid With Form 4868 (Extension of Time to File).—If you filed Form 4868 to get an extension of time to file Form 1040NR, enter the amount you paid with that form. Also include any amounts paid with Form 2688.

Line 62—Excess Social Security Tax and RRTA Tax Withheld—Two or More Employers.—If you had two or more employers in 1985 who together paid you more than $39,600 in wages, too much social security tax and railroad retirement tax (RRTA) may have been withheld from your wages. If so, you may be able to take credit for it against your income tax.

If you worked for two or more railroad employers, or if you had both RRTA tax and social security tax withheld from your wages, see **Publication 505,** Tax Withholding and Estimated Tax, for information on how to figure your excess RRTA or social security tax. **Do not** use the worksheet on this page.

Caution: *If you were a U.S. Government employee who paid only the 1.35% hospital insurance benefits (Medicare) tax on your government wages,* ***do not*** *include on line 1 of the worksheet below the Medicare tax withheld from your government wages. See the instructions for line 64 to see if you can take a credit for excess Medicare tax paid.*

Worksheet (keep for your records)

1	Add all Social Security tax withheld (but not more than $2,791.80 for each employer).* Enter the total here	
2	Enter any uncollected Social Security tax on tips included in the total on Form 1040NR, line 57	
3	Add 1 and 2 above	
4	Less	-2,791.80
5	Subtract 4 from 3. Enter this amount on line 62	

***Note:** If any one employer withheld more than $2,791.80, you should ask the employer to refund the excess to you. You cannot take credit for it on your return.

Line 63—Credit for Federal Tax on Gasoline and Special Fuels.—If you can take a credit for tax on gasoline and special fuels used in your business (including qualified taxicabs), or for certain diesel-powered cars, vans, and light trucks, please attach **Form 4136.** Enter the credit on line 63. For more information, you should get **Publication 225,** Farmer's Tax Guide, or **Publication 378,** Fuel Tax Credits.

Line 64—Regulated Investment Company Credit.—Enter the total credit from **Form 2439.** Be sure to attach Copy B of Form 2439. Also include on line 64 any Excess Hospital Insurance Benefits Tax Credit.

Excess Hospital Insurance Benefits Tax Credit. If you were a U.S. Government employee whose wages in 1985 were subject only to the 1.35% hospital insurance benefits (Medicare) tax and you had other social security or RRTA wages that when added to your government wages total more than $39,600, too much Medicare tax may have been withheld. If so, you may take a credit for it against your income tax. Use **Form 4469,** Computation of Excess Hospital Insurance Benefits Tax Credit, to figure the credit. Include the amount of the credit in your total for line 64. On the dotted line next to this total, write "Form 4469" and show the amount.

Line 65—Credit for Amount Paid With Form 1040C.—Enter any amount you paid with Form 1040C for 1985.

Line 66—U.S. Tax Withheld at Source.—Enter the amount you show on line 94, page 4. Be sure to attach a copy of **Form 1042S, SSA-1042S, RRB-1042S,** or similar form.

Line 67—Total Payments.—Add lines 58 through 66 and enter the total on line 67. Also include on line 67 any Overpaid Windfall Profit Tax.

Overpaid Windfall Profit Tax. You may be allowed a credit for overpaid windfall profit tax (OWPT). Use **Form 6249** (Computation of Overpaid Windfall Profit Tax) to figure the overpayment. Include this amount in your total for line 67. Attach Form 6249 and **Form 6248** (Annual Information Return of Windfall Profit Tax) to Form 1040NR. On the dotted line next to this total, please write "OWPT" and show the amount.

Lines 68 through 71

Refund or Amount You Owe

Line 68—Overpayment (If line 67 is larger than line 57).—Subtract line 57 from line 67. You can choose to have all, or part, of this amount refunded to you (line 69). The remainder, if any, can be applied to your estimated tax for 1986 (line 70). If line 68 is under $1, we will send a refund only on written request.

Line 69—Refund.—Enter the amount from line 68 that you want refunded to you.

Line 70—Credit to Estimated Tax.—Enter on this line the amount of overpayment you want applied to your estimated tax for 1986.

Line 71—Amount You Owe (If line 57 is larger than line 67).—Subtract line 67 from line 57. This is the amount you owe.

Attach your check or money order for the full amount when you file. Make it out to "Internal Revenue Service" and be sure to write your social security number and "1985 Form 1040NR" on it. **Do not** include any estimated tax payments in your check or money order. If line 71 is under $1, you do not have to pay.

Under-payment of Estimated Tax

If line 71 is $500 or more and more than 20% of the tax shown on your return, or you underpaid your 1985 estimated tax liability for any payment period, you may owe a penalty. Get **Form 2210 (Form 2210F** for farmers and fishermen) to see if you owe a penalty and to figure the amount of the penalty. If you owe the penalty, attach that form to Form 1040NR to show how you figured it. If you do not owe the penalty because you annualized your income to figure the required payment for each payment period, also attach that form to Form 1040NR.

Note: *The penalty may be waived by IRS under certain conditions such as casualty, disaster, or other unusual circumstances. See Publication 505 for details.*

If you attach Form 2210 or 2210F, be sure to check the box below line 71. If you owe a penalty for underpaid estimated tax, show the amount in the space provided below line 71.

If you owe tax, add the penalty to any tax due and show the total on line 71. If you are due a refund, subtract the penalty from the overpayment you show on line 68.

However, if you pay other penalties or interest with this return (late filing or late payment penalties—explained under "Reminders" at the end of these instructions), show those amounts in the bottom margin of page 2 and identify them. Do **not** include them in line 71.

Signature

See the instructions under "Reminders" on page 13 for the signature area after you complete pages 3 and 4 of the form.

Page 3
Itemized Deductions
Lines 72 and 73
State and Local Income Taxes

You can deduct State and local income taxes that you paid or that were withheld from your salary during 1985 on income connected with a U.S. trade or business. If, during 1985, you received any refunds of income tax paid in earlier years, do not subtract them from the amount you deduct here. See instructions for line 11.

Lines 74 and 75
Contributions You Made

You may deduct what you actually gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals. If you do not know whether you can deduct what you gave to an organization, check with that organization or with IRS.

Special rules apply if your contributions are more than 30% of Form 1040NR, line 32. If you gave gifts of property that increased in value, made bargain sales to charity, or gave gifts of the use of property, other rules apply.

Contributions You MAY Deduct

Contributions may be in cash (keep cancelled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations listed earlier. If you drove to and from the volunteer work, you may take 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. (But don't deduct any amounts that were repaid to you.)

Line 74a. Enter on line 74a all your cash contributions (including out-of-pocket expenses) **except** those that total $3,000 or more to any one organization.

Line 74b. Enter on line 74b cash contributions totaling $3,000 or more to any one organization. Show to whom and how much you gave in the space provided.

Line 74c. Enter on line 74c your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If your total deduction for gifts of property is more than $500, you must complete and attach **Form 8283,** (Rev. Oct. 1985), Noncash Charitable Contributions. If your total deduction is over $5,000, you may also have to get appraisals of the values of the donated property. See Form 8283 and its instructions for details.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization's name and address, the date and location of the gift, and a description of the property. You should also keep reliable written records for each gift of property that include the following information:

a. How you figured the property's value at the time you gave it. (If the value was determined by an appraisal, you should also keep a signed copy of the appraisal.)

b. The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.

c. How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.

d. Any conditions attached to the gift.

e. If the gift was a "qualified conservation contribution" under section 170(h), the fair market value of the underlying property before and after the gift, the type of legal interest donated, and the conservation purpose furthered by the gift.

Note: *If your total deduction for gifts of property is over $500 or if you gave less than your entire interest in the property, your records should contain additional information. See* ***Publication 526,*** *Charitable Contributions, for details.*

You MAY NOT Deduct As Contributions

- Political contributions (but see instructions for Form 1040NR, line 45).
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Cost of tuition.
- The value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).
- Gifts to:

  a. Individuals.

  b. Foreign organizations.

  c. Groups that are run for personal profit.

  d. Groups whose purpose is to lobby for changes in the laws.

  e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce.

For more information, see **Publication 526.**

Line 76
Casualty and Theft Losses

Use line 76 to report any casualty or theft losses of property that is not trade or business or rent or royalty property. Figure your loss on **Form 4684,** Casualties and Thefts. Enter on line 76 the amount of loss from Form 4684. Attach Form 4684.

Losses You MAY Deduct.—You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes.

A loss can include more than one item from a single cause.

You may deduct nonbusiness casualty or theft losses only to the extent that—

a. The amount of **EACH** separate casualty or theft loss is more than $100, and

b. The total amount of **ALL** losses during the year is more than 10% of your adjusted gross income on Form 1040NR, line 32.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. See Form 4684 for details.

Losses You MAY NOT Deduct.—

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Use line 77 to deduct the costs of proving that you had a property loss. (Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.)

For more details, get **Publication 547,** Nonbusiness Disasters, Casualties, and Thefts. It also gives information about Federal disaster area losses.

Lines 77 and 78
Miscellaneous Deductions

Business Use of Your Home.—You may not deduct expenses for business use of part of your home unless you use that part exclusively and on a regular basis in your work and for the convenience of your employer. **Publication 587,** Business Use of Your Home, gives detailed information on how to report these costs.

Education Expenses.—You may generally deduct what you paid and were not reimbursed for education to help you keep up or improve skills you must have in your present position. You may also deduct what you paid for education required by your employer or by law or regulations to keep your present salary or job. For details, see **Publication 508,** Educational Expenses.

Employee Expenses.—Examples of the expenses you may deduct are:

- Union and professional dues.
- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms your employer said you must have, and which you may not usually wear away from work.
- Protective clothing, such as hard hats, safety glasses, and safety shoes.
- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to get a new job in your present trade or profession.

Expenses of Producing Income.—You may deduct what you paid to produce or collect taxable income, or to manage or protect property held for producing income, if the income is effectively connected with your U.S. trade or business. Examples of these expenses are:

- Clerical help.
- Office rent.
- Certain legal, accounting, and tax counseling fees.
- Safe deposit box rental.
- Custodial (e.g., trust account) fees.

Miscellaneous Amounts You MAY NOT Deduct.—Expenses you may not deduct include:

- Legal fees for personal matters.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Professional accreditation fees.
- Fines and penalties.
- Expenses of producing tax-exempt income.
- Expense of going to and from work.

Lines 79 through 83

Summary of Itemized Deductions

If you have not already entered the totals from each group of deductions in lines 79 through 82, do so now. Add lines 79 through 82, and enter your total deductions on line 83 and on page 2, line 33.

Questionnaire on Page 3

You must answer all questions. If a question does not apply to you, write "NA" for "Not Applicable."

Page 4

Income Not Effectively Connected With a U.S. Trade or Business

For more information, see **Publication 519,** U.S. Tax Guide for Aliens.

The items below are generally taxed at 30% if they are not effectively connected with your U.S. business. The rate may be lower for you if your country and the United States have a treaty setting lower rates. Table 1, **Publication 901** summarizes what countries have such treaties and what the rates are.

The list below gives only a general idea of what income to report on page 4.

1. Income that is fixed or periodic, such as interest, original issue discount, dividends, rents, salaries, wages, premiums, annuities, other compensation, or alimony received.

Note: *Generally, the 30% tax on interest is repealed for certain portfolio interest (including original issue discount) on obligations issued after July 18, 1984. For more information, see Publication 519.*

Generally, U.S. source salaries and wages are treated as effectively connected with your U.S. trade or business and are reported on line 8. However, if you were not engaged in a trade or business in the United States in 1985, salaries and wages you received in 1985 for services performed in another year are not treated as effectively connected with your U.S. trade or business and are reported on line 93, page 4. For exceptions and additional information, see Publication 519.

2. Gains, other than capital gains, from the sale or exchange of patents, copyrights, and other intangible property.

3. Gain from a sale or exchange of an original issue discount obligation, not in excess of the original issue discount accruing while such obligation was held by you and not previously included in income. See section 871(a)(1)(C)(i).

4. Lump-sum distributions from employees' tax-exempt trusts; payments to beneficiaries under qualified annuity plans; and timber, coal, and iron ore royalties.

5. Capital gains in excess of capital losses from U.S. sources during 1985. Include these gains only if you were in the United States at least 183 days during 1985. They are not subject to U.S. tax if you were in the United States less than 183 days during the tax year. In determining your net gain, do not use the capital gain deduction or capital loss carryover.

Losses from sales or exchanges of capital assets in excess of similar gains are not allowed.

If you had a gain or loss on disposing of a U.S. real property interest, see **Dispositions of U.S. Real Property Interests** on page 3.

6. Prizes, awards, and gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings. You cannot offset losses against winnings and report the difference.

Social Security Benefits (and Tier I Railroad Retirement Benefits).—One-half of the U.S. social security benefits you received are taxable. This amount is treated as U.S. source income not effectively connected with a U.S. trade or business and is subject to the 30 percent tax rate, unless exempt or taxed at a reduced rate under a U.S. tax treaty. Social security benefits include any monthly benefits under title II of the Social Security Act or a tier I railroad retirement benefit. Social security benefits do not include any supplemental security income (SSI) payments.

You should receive a statement on **Form SSA-1042S** by January 31, 1986. If you received tier I railroad retirement benefits, you should receive **Form RRB-1042S.**

Enter 50 percent of the total amount from Box 5 of **ALL** your Forms SSA-1042S and Forms RRB-1042S on line 91, page 4, 1040NR. Attach a copy of all Forms SSA-1042S and RRB-1042S to Form 1040NR.

Reminders

Sign and date your return

Form 1040NR is not considered a return unless you sign it. If an agent (including your spouse) signs for you, your authorization of the signature must be filed with the return.

You may have an agent in the United States prepare and sign your return if you could not do so for one of the following reasons:

- You were ill.
- You were not in the United States at any time during the 60 days before the return was due.
- For other reasons that you explained in writing to the Internal Revenue Service Center, Philadelphia, PA 19255, U.S.A., and that IRS approved.

Did You Have Someone Else Prepare Your Return? If you fill in your own return, the Paid Preparer's space should remain blank. Someone who prepares your return but **does not charge you, should not sign.**

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Use Only area of your return.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

The preparer required to sign your return **MUST:**

- Sign it by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give you a copy of your return in addition to the copy to be filed with IRS.

Tax return preparers should be familiar with their responsibilities. They should see **Publication 1045,** Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

Address Change

If you move after filing your return and you expect a refund, notify both the post office serving your old address and the Internal Revenue Service Center, Philadelphia, PA 19255, U.S.A. You will receive your check faster this way. Please be sure to show your identifying or social security number on any letters to IRS.

Estimated Tax for Individuals

In general, you do not have to pay estimated tax if you expect your 1986 Form 1040NR to show (1) a tax refund, or (2) a tax balance due (money you still owe IRS when you file in 1987) of less than $500. However, if your total balance due (estimated tax) is $500 or more, you may have to pay estimated tax.

Generally, estimated tax affects self-employed people and wage earners in upper-income brackets. Paying estimated tax puts you in the same pay-as-you-go basis as most employees.

To determine whether you must pay estimated tax, see **Form 1040-ES(NR).** It contains a worksheet that you can use to see if you have to make estimated tax payments. However, if you expect to be a resident of Puerto Rico during all of 1986 and you must pay estimated tax, use **Form 1040-ES.**

Tax Shelter Registration Number

A person who sells (or otherwise transfers) to you an interest in a tax shelter must maintain a list of investors and give you the tax shelter registration number assigned to the tax shelter. You must attach to your tax return **Form 8271**, Investor Reporting of Tax Shelter Registration Number, to report this number. Penalties are provided if you fail to report this number on your tax return.

How Long To Keep Your Records

Keep your records as long as they may be needed to carry out any Internal Revenue law. This means you should keep those records on items of income, deduction, or credit that you show on your return until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Other records must be kept longer. Keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property. Also keep copies of the tax returns you have filed. For more details, please get **Publication 552,** Recordkeeping for Individuals and a List of Tax Publications.

Requesting a Copy of Your Tax Return. If you need a copy of your tax return or tax account information, use **Form 4506,** Request for Copy of Tax Form. The charge for this service is covered on Form 4506.

Penalties and Interest

Interest.—We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, gross valuation overstatements, and substantial understatements of tax. Interest is imposed on the penalty as of the due date of the return (including extensions) to the date of payment.

Late Filing of Return.—You can avoid penalties for late filing by sending in your return by the due date. The law provides a penalty of 5% of the tax due for each month, or part of a month, the return is late (maximum 25%), unless you can show reasonable cause for the delay. If you file a late return, attach a full explanation to your return. If your return is more than 60 days late, the penalty will be at least $100 or the balance of tax due on your return, whichever is less.

Late Payment of Tax.—The penalty for not paying tax when due is ½ of 1% of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25% of the unpaid amount. The penalty applies to any unpaid tax shown on a return. It also applies to any additional tax shown on a bill if it is not paid within 10 days from the date of the bill. This penalty is in addition to interest charges on late payments.

Note: *If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1040NR, page 2. Do not include the interest or penalty amounts in* **Amount You Owe** on line 71.

Penalty for Frivolous Return.—In addition to any other penalties, the law imposes a penalty of $500 for filing a frivolous return. A frivolous return is one which does not contain information needed to figure the correct tax or shows a substantially incorrect tax, because you take a frivolous position or desire to delay or interfere with the tax laws. This includes any alteration or striking out of the preprinted language above the space provided for your signature.

Other Penalties.—There are also other penalties that can be imposed for negligence, substantial understatement of tax, and fraud.

Voluntary Contributions To Reduce the Public Debt

We often receive inquiries about how people may make voluntary contributions to reduce the public debt. If you wish to contribute, just enclose in your tax return envelope a separate check made payable to "Bureau of the Public Debt." Subject to the limitations on charitable contributions, you may deduct this contribution on your 1986 tax return. But please be sure to keep your contribution to reduce the public debt separate from any amount you owe on your tax return. Make your check for taxes payable to "Internal Revenue Service."

Taxpayer Assistance

IRS assistance is available to help you prepare returns. But you should know that you are responsible for the accuracy of your return. If we do make an error, you are still responsible for the payment of the correct tax.

In the United States call the local city number listed in your telephone directory if it is not a long-distance call for you. Otherwise, call 1-800-424-1040, a toll-free number.

If you find it necessary to write instead of calling, please address your letter to your IRS District Director for a prompt reply. Make sure you include your social security number or taxpayer identifying number when you write.

Assistance in answering tax questions and filling out tax returns is also available in person from Internal Revenue offices in: Bonn, Germany; Caracas, Venezuela; Jeddah, Saudi Arabia; Johannesburg, South Africa; London, England; Manila, Philippines; Mexico City, Mexico; Nassau, Bahamas; Ottawa, Canada; Paris, France; Rome, Italy; Sao Paulo, Brazil; Singapore; Sydney, Australia; and Tokyo, Japan. The offices generally are located in the U.S. Embassies or consulates. During every tax return filing period, income tax forms and publications may be obtained from U.S. Embassies and consulates abroad.

The Internal Revenue Service conducts an overseas taxpayer assistance program during filing season (January to mid-June). To find out if Internal Revenue Service personnel will be in your area, you should contact the consular office at the nearest U.S. Embassy.

Unresolved Tax Problems

IRS has a Problem Resolution Program for taxpayers who have been unable to resolve their problems with IRS. If you have a tax problem you have been unable to resolve through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. (You may also contact one of the overseas IRS offices listed on this page under Taxpayer Assistance.)

The Problem Resolution Office will take responsibility for your problem and ensure that it receives proper attention. Although this office cannot change the tax law or technical decisions, it can frequently clear up misunderstandings that resulted from previous contacts.

1985 Tax Table

Based on Taxable Income

For persons with taxable incomes of less than $50,000.

Example: Mr. Green is filing as a qualifying widower. His taxable income on line 39 is $25,325. First, he finds the $25,300–$25,350 income line. Next, he finds the column for qualifying widower and reads down the column. The amount shown where the income line and filing status column meet is $3,545. This is the tax amount he must write on line 40 of his tax return.

At least	But less than	Single	Qualifying Widow(er)	Married filing separately
		Your tax is—		
25,250	25,300	4,528	3,534	5,633
25,300	25,350	4,543	3,545	5,652
25,350	25,400	4,558	3,556	5,671

If line 39 (taxable income) is—		And you are—		
At least	But less than	Single	Qualifying Widow(er)	Married filing separately
		Your tax is—		
$0	$1,775	$0	$0	$0
1,775	1,800	0	0	2
1,800	1,825	0	0	5
1,825	1,850	0	0	7
1,850	1,875	0	0	10
1,875	1,900	0	0	13
1,900	1,925	0	0	16
1,925	1,950	0	0	18
1,950	1,975	0	0	21
1,975	2,000	0	0	24
2,000				
2,000	2,025	0	0	27
2,025	2,050	0	0	29
2,050	2,075	0	0	32
2,075	2,100	0	0	35
2,100	2,125	0	0	38
2,125	2,150	0	0	40
2,150	2,175	0	0	43
2,175	2,200	0	0	46
2,200	2,225	0	0	49
2,225	2,250	0	0	51
2,250	2,275	0	0	54
2,275	2,300	0	0	57
2,300	2,325	0	0	60
2,325	2,350	0	0	62
2,350	2,375	0	0	65
2,375	2,400	0	0	68
2,400	2,425	2	0	71
2,425	2,450	5	0	73
2,450	2,475	8	0	76
2,475	2,500	11	0	79
2,500	2,525	13	0	82
2,525	2,550	16	0	84
2,550	2,575	19	0	87
2,575	2,600	22	0	90
2,600	2,625	24	0	93
2,625	2,650	27	0	95
2,650	2,675	30	0	98
2,675	2,700	33	0	101
2,700	2,725	35	0	104
2,725	2,750	38	0	106
2,750	2,775	41	0	109
2,775	2,800	44	0	112
2,800	2,825	46	0	115
2,825	2,850	49	0	117
2,850	2,875	52	0	120
2,875	2,900	55	0	123
2,900	2,925	57	0	126
2,925	2,950	60	0	129
2,950	2,975	63	0	132
2,975	3,000	66	0	135
3,000				
3,000	3,050	70	0	140
3,050	3,100	75	0	146
3,100	3,150	81	0	152
3,150	3,200	86	0	158
3,200	3,250	92	0	164
3,250	3,300	97	0	170
3,300	3,350	103	0	176
3,350	3,400	108	0	182
3,400	3,450	114	0	188
3,450	3,500	119	0	194
3,500	3,550	125	0	200
3,550	3,600	131	4	206
3,600	3,650	137	9	212
3,650	3,700	143	15	218
3,700	3,750	149	20	224
3,750	3,800	155	26	230
3,800	3,850	161	31	236
3,850	3,900	167	37	242
3,900	3,950	173	42	248
3,950	4,000	179	48	254
4,000				
4,000	4,050	185	53	261
4,050	4,100	191	59	268
4,100	4,150	197	64	275
4,150	4,200	203	70	282
4,200	4,250	209	75	289
4,250	4,300	215	81	296
4,300	4,350	221	86	303
4,350	4,400	227	92	310
4,400	4,450	233	97	317
4,450	4,500	239	103	324
4,500	4,550	245	108	331
4,550	4,600	251	114	338
4,600	4,650	258	119	345
4,650	4,700	265	125	352
4,700	4,750	272	130	359
4,750	4,800	279	136	366
4,800	4,850	286	141	373
4,850	4,900	293	147	380
4,900	4,950	300	152	387
4,950	5,000	307	158	394

Continued on next page

1985 Tax Table—Continued

If line 39 (taxable income) is—		And you are—			If line 39 (taxable income) is—		And you are—			If line 39 (taxable income) is—		And you are—		
At least	But less than	Single	Qualifying Widow(er)	Married filing separately	At least	But less than	Single	Qualifying Widow(er)	Married filing separately	At least	But less than	Single	Qualifying Widow(er)	Married filing separately
		Your tax is—					Your tax is—					Your tax is—		
5,000					**8,000**					**11,000**				
5,000	5,050	314	163	401	8,000	8,050	746	519	858	11,000	11,050	1,218	939	1,412
5,050	5,100	321	169	408	8,050	8,100	754	526	866	11,050	11,100	1,226	946	1,423
5,100	5,150	328	174	415	8,100	8,150	761	533	874	11,100	11,150	1,234	953	1,434
5,150	5,200	335	180	422	8,150	8,200	769	540	882	11,150	11,200	1,242	960	1,445
5,200	5,250	342	185	429	8,200	8,250	776	547	890	11,200	11,250	1,250	967	1,456
5,250	5,300	349	191	436	8,250	8,300	784	554	898	11,250	11,300	1,259	974	1,467
5,300	5,350	356	196	443	8,300	8,350	791	561	906	11,300	11,350	1,268	981	1,478
5,350	5,400	363	202	450	8,350	8,400	799	568	915	11,350	11,400	1,277	988	1,489
5,400	5,450	370	207	457	8,400	8,450	806	575	924	11,400	11,450	1,286	995	1,500
5,450	5,500	377	213	464	8,450	8,500	814	582	933	11,450	11,500	1,295	1,002	1,511
5,500	5,550	384	218	471	8,500	8,550	821	589	942	11,500	11,550	1,304	1,009	1,522
5,550	5,600	391	224	478	8,550	8,600	829	596	951	11,550	11,600	1,313	1,016	1,533
5,600	5,650	398	229	485	8,600	8,650	836	603	960	11,600	11,650	1,322	1,023	1,544
5,650	5,700	405	235	492	8,650	8,700	844	610	969	11,650	11,700	1,331	1,030	1,555
5,700	5,750	412	240	499	8,700	8,750	851	617	978	11,700	11,750	1,340	1,037	1,566
5,750	5,800	419	246	506	8,750	8,800	859	624	987	11,750	11,800	1,349	1,044	1,577
5,800	5,850	426	252	513	8,800	8,850	866	631	996	11,800	11,850	1,358	1,051	1,588
5,850	5,900	433	258	520	8,850	8,900	874	638	1,005	11,850	11,900	1,367	1,058	1,599
5,900	5,950	440	264	527	8,900	8,950	882	645	1,014	11,900	11,950	1,376	1,065	1,610
5,950	6,000	447	270	534	8,950	9,000	890	652	1,023	11,950	12,000	1,385	1,072	1,621
6,000					**9,000**					**12,000**				
6,000	6,050	454	276	541	9,000	9,050	898	659	1,032	12,000	12,050	1,394	1,079	1,632
6,050	6,100	461	282	548	9,050	9,100	906	666	1,041	12,050	12,100	1,403	1,086	1,643
6,100	6,150	468	288	555	9,100	9,150	914	673	1,050	12,100	12,150	1,412	1,093	1,654
6,150	6,200	475	294	562	9,150	9,200	922	680	1,059	12,150	12,200	1,421	1,100	1,665
6,200	6,250	482	300	570	9,200	9,250	930	687	1,068	12,200	12,250	1,430	1,107	1,676
6,250	6,300	489	306	578	9,250	9,300	938	694	1,077	12,250	12,300	1,439	1,114	1,687
6,300	6,350	496	312	586	9,300	9,350	946	701	1,086	12,300	12,350	1,448	1,121	1,698
6,350	6,400	503	318	594	9,350	9,400	954	708	1,095	12,350	12,400	1,457	1,128	1,709
6,400	6,450	510	324	602	9,400	9,450	962	715	1,104	12,400	12,450	1,466	1,135	1,720
6,450	6,500	517	330	610	9,450	9,500	970	722	1,113	12,450	12,500	1,475	1,143	1,731
6,500	6,550	524	336	618	9,500	9,550	978	729	1,122	12,500	12,550	1,484	1,151	1,742
6,550	6,600	531	342	626	9,550	9,600	986	736	1,131	12,550	12,600	1,493	1,159	1,753
6,600	6,650	538	348	634	9,600	9,650	994	743	1,140	12,600	12,650	1,502	1,167	1,764
6,650	6,700	545	354	642	9,650	9,700	1,002	750	1,149	12,650	12,700	1,511	1,175	1,775
6,700	6,750	552	360	650	9,700	9,750	1,010	757	1,158	12,700	12,750	1,520	1,183	1,786
6,750	6,800	559	366	658	9,750	9,800	1,018	764	1,167	12,750	12,800	1,529	1,191	1,797
6,800	6,850	566	372	666	9,800	9,850	1,026	771	1,176	12,800	12,850	1,538	1,199	1,809
6,850	6,900	574	378	674	9,850	9,900	1,034	778	1,185	12,850	12,900	1,547	1,207	1,822
6,900	6,950	581	384	682	9,900	9,950	1,042	785	1,194	12,900	12,950	1,556	1,215	1,834
6,950	7,000	589	390	690	9,950	10,000	1,050	792	1,203	12,950	13,000	1,565	1,223	1,847
7,000					**10,000**					**13,000**				
7,000	7,050	596	396	698	10,000	10,050	1,058	799	1,212	13,000	13,050	1,574	1,231	1,859
7,050	7,100	604	402	706	10,050	10,100	1,066	806	1,221	13,050	13,100	1,583	1,239	1,872
7,100	7,150	611	408	714	10,100	10,150	1,074	813	1,230	13,100	13,150	1,592	1,247	1,884
7,150	7,200	619	414	722	10,150	10,200	1,082	820	1,239	13,150	13,200	1,601	1,255	1,897
7,200	7,250	626	420	730	10,200	10,250	1,090	827	1,248	13,200	13,250	1,610	1,263	1,909
7,250	7,300	634	426	738	10,250	10,300	1,098	834	1,257	13,250	13,300	1,619	1,271	1,922
7,300	7,350	641	432	746	10,300	10,350	1,106	841	1,266	13,300	13,350	1,628	1,279	1,934
7,350	7,400	649	438	754	10,350	10,400	1,114	848	1,275	13,350	13,400	1,637	1,287	1,947
7,400	7,450	656	444	762	10,400	10,450	1,122	855	1,284	13,400	13,450	1,646	1,295	1,959
7,450	7,500	664	450	770	10,450	10,500	1,130	862	1,293	13,450	13,500	1,656	1,303	1,972
7,500	7,550	671	456	778	10,500	10,550	1,138	869	1,302	13,500	13,550	1,666	1,311	1,984
7,550	7,600	679	462	786	10,550	10,600	1,146	876	1,313	13,550	13,600	1,676	1,319	1,997
7,600	7,650	686	468	794	10,600	10,650	1,154	883	1,324	13,600	13,650	1,686	1,327	2,009
7,650	7,700	694	474	802	10,650	10,700	1,162	890	1,335	13,650	13,700	1,696	1,335	2,022
7,700	7,750	701	480	810	10,700	10,750	1,170	897	1,346	13,700	13,750	1,706	1,343	2,034
7,750	7,800	709	486	818	10,750	10,800	1,178	904	1,357	13,750	13,800	1,716	1,351	2,047
7,800	7,850	716	492	826	10,800	10,850	1,186	911	1,368	13,800	13,850	1,726	1,359	2,059
7,850	7,900	724	498	834	10,850	10,900	1,194	918	1,379	13,850	13,900	1,736	1,367	2,072
7,900	7,950	731	505	842	10,900	10,950	1,202	925	1,390	13,900	13,950	1,746	1,375	2,084
7,950	8,000	739	512	850	10,950	11,000	1,210	932	1,401	13,950	14,000	1,756	1,383	2,097

Continued on next page

1985 Tax Table—Continued

If line 39 (taxable income) is—		And you are—			If line 39 (taxable income) is—		And you are—			If line 39 (taxable income) is—		And you are—		
At least	But less than	Single	Qualifying Widow(er)	Married filing separately	At least	But less than	Single	Qualifying Widow(er)	Married filing separately	At least	But less than	Single	Qualifying Widow(er)	Married filing separately
		Your tax is—					Your tax is—					Your tax is—		
14,000					**17,000**					**20,000**				
14,000	14,050	1,766	1,391	2,109	17,000	17,050	2,408	1,879	2,903	20,000	20,050	3,131	2,419	3,829
14,050	14,100	1,776	1,399	2,122	17,050	17,100	2,420	1,888	2,917	20,050	20,100	3,144	2,428	3,845
14,100	14,150	1,786	1,407	2,134	17,100	17,150	2,431	1,897	2,931	20,100	20,150	3,157	2,437	3,862
14,150	14,200	1,796	1,415	2,147	17,150	17,200	2,443	1,906	2,945	20,150	20,200	3,170	2,446	3,878
14,200	14,250	1,806	1,423	2,159	17,200	17,250	2,454	1,915	2,959	20,200	20,250	3,183	2,455	3,895
14,250	14,300	1,816	1,431	2,172	17,250	17,300	2,466	1,924	2,973	20,250	20,300	3,196	2,464	3,911
14,300	14,350	1,826	1,439	2,184	17,300	17,350	2,477	1,933	2,987	20,300	20,350	3,209	2,473	3,928
14,350	14,400	1,836	1,447	2,197	17,350	17,400	2,489	1,942	3,001	20,350	20,400	3,222	2,482	3,944
14,400	14,450	1,846	1,455	2,209	17,400	17,450	2,500	1,951	3,015	20,400	20,450	3,235	2,491	3,961
14,450	14,500	1,856	1,463	2,222	17,450	17,500	2,512	1,960	3,029	20,450	20,500	3,248	2,500	3,977
14,500	14,550	1,866	1,471	2,234	17,500	17,550	2,523	1,969	3,043	20,500	20,550	3,261	2,509	3,994
14,550	14,600	1,876	1,479	2,247	17,550	17,600	2,535	1,978	3,057	20,550	20,600	3,274	2,518	4,010
14,600	14,650	1,886	1,487	2,259	17,600	17,650	2,546	1,987	3,071	20,600	20,650	3,287	2,527	4,027
14,650	14,700	1,896	1,495	2,272	17,650	17,700	2,558	1,996	3,085	20,650	20,700	3,300	2,536	4,043
14,700	14,750	1,906	1,503	2,284	17,700	17,750	2,569	2,005	3,099	20,700	20,750	3,313	2,545	4,060
14,750	14,800	1,916	1,511	2,297	17,750	17,800	2,581	2,014	3,113	20,750	20,800	3,326	2,554	4,076
14,800	14,850	1,926	1,519	2,309	17,800	17,850	2,592	2,023	3,127	20,800	20,850	3,339	2,563	4,093
14,850	14,900	1,936	1,527	2,322	17,850	17,900	2,604	2,032	3,141	20,850	20,900	3,352	2,572	4,109
14,900	14,950	1,946	1,535	2,334	17,900	17,950	2,615	2,041	3,155	20,900	20,950	3,365	2,581	4,126
14,950	15,000	1,956	1,543	2,347	17,950	18,000	2,627	2,050	3,169	20,950	21,000	3,378	2,590	4,142
15,000					**18,000**					**21,000**				
15,000	15,050	1,966	1,551	2,359	18,000	18,050	2,638	2,059	3,183	21,000	21,050	3,391	2,599	4,159
15,050	15,100	1,976	1,559	2,372	18,050	18,100	2,650	2,068	3,197	21,050	21,100	3,404	2,610	4,175
15,100	15,150	1,986	1,567	2,384	18,100	18,150	2,661	2,077	3,211	21,100	21,150	3,417	2,621	4,192
15,150	15,200	1,996	1,575	2,397	18,150	18,200	2,673	2,086	3,225	21,150	21,200	3,430	2,632	4,208
15,200	15,250	2,006	1,583	2,409	18,200	18,250	2,684	2,095	3,239	21,200	21,250	3,443	2,643	4,225
15,250	15,300	2,016	1,591	2,422	18,250	18,300	2,696	2,104	3,253	21,250	21,300	3,456	2,654	4,241
15,300	15,350	2,026	1,599	2,434	18,300	18,350	2,707	2,113	3,268	21,300	21,350	3,469	2,665	4,258
15,350	15,400	2,036	1,607	2,447	18,350	18,400	2,719	2,122	3,284	21,350	21,400	3,482	2,676	4,274
15,400	15,450	2,046	1,615	2,459	18,400	18,450	2,730	2,131	3,301	21,400	21,450	3,495	2,687	4,291
15,450	15,500	2,056	1,623	2,472	18,450	18,500	2,742	2,140	3,317	21,450	21,500	3,508	2,698	4,307
15,500	15,550	2,066	1,631	2,484	18,500	18,550	2,753	2,149	3,334	21,500	21,550	3,521	2,709	4,324
15,550	15,600	2,076	1,639	2,497	18,550	18,600	2,765	2,158	3,350	21,550	21,600	3,534	2,720	4,340
15,600	15,650	2,086	1,647	2,511	18,600	18,650	2,776	2,167	3,367	21,600	21,650	3,547	2,731	4,357
15,650	15,700	2,098	1,655	2,525	18,650	18,700	2,788	2,176	3,383	21,650	21,700	3,560	2,742	4,373
15,700	15,750	2,109	1,663	2,539	18,700	18,750	2,799	2,185	3,400	21,700	21,750	3,573	2,753	4,390
15,750	15,800	2,121	1,671	2,553	18,750	18,800	2,811	2,194	3,416	21,750	21,800	3,586	2,764	4,406
15,800	15,850	2,132	1,679	2,567	18,800	18,850	2,822	2,203	3,433	21,800	21,850	3,599	2,775	4,423
15,850	15,900	2,144	1,687	2,581	18,850	18,900	2,834	2,212	3,449	21,850	21,900	3,612	2,786	4,439
15,900	15,950	2,155	1,695	2,595	18,900	18,950	2,845	2,221	3,466	21,900	21,950	3,625	2,797	4,456
15,950	16,000	2,167	1,703	2,609	18,950	19,000	2,858	2,230	3,482	21,950	22,000	3,638	2,808	4,472
16,000					**19,000**					**22,000**				
16,000	16,050	2,178	1,711	2,623	19,000	19,050	2,871	2,239	3,499	22,000	22,050	3,651	2,819	4,489
16,050	16,100	2,190	1,719	2,637	19,050	19,100	2,884	2,248	3,515	22,050	22,100	3,664	2,830	4,505
16,100	16,150	2,201	1,727	2,651	19,100	19,150	2,897	2,257	3,532	22,100	22,150	3,677	2,841	4,522
16,150	16,200	2,213	1,735	2,665	19,150	19,200	2,910	2,266	3,548	22,150	22,200	3,690	2,852	4,538
16,200	16,250	2,224	1,743	2,679	19,200	19,250	2,923	2,275	3,565	22,200	22,250	3,703	2,863	4,555
16,250	16,300	2,236	1,751	2,693	19,250	19,300	2,936	2,284	3,581	22,250	22,300	3,716	2,874	4,571
16,300	16,350	2,247	1,759	2,707	19,300	19,350	2,949	2,293	3,598	22,300	22,350	3,729	2,885	4,588
16,350	16,400	2,259	1,767	2,721	19,350	19,400	2,962	2,302	3,614	22,350	22,400	3,742	2,896	4,604
16,400	16,450	2,270	1,775	2,735	19,400	19,450	2,975	2,311	3,631	22,400	22,450	3,755	2,907	4,621
16,450	16,500	2,282	1,783	2,749	19,450	19,500	2,988	2,320	3,647	22,450	22,500	3,768	2,918	4,637
16,500	16,550	2,293	1,791	2,763	19,500	19,550	3,001	2,329	3,664	22,500	22,550	3,781	2,929	4,654
16,550	16,600	2,305	1,799	2,777	19,550	19,600	3,014	2,338	3,680	22,550	22,600	3,794	2,940	4,670
16,600	16,650	2,316	1,807	2,791	19,600	19,650	3,027	2,347	3,697	22,600	22,650	3,807	2,951	4,687
16,650	16,700	2,328	1,816	2,805	19,650	19,700	3,040	2,356	3,713	22,650	22,700	3,820	2,962	4,703
16,700	16,750	2,339	1,825	2,819	19,700	19,750	3,053	2,365	3,730	22,700	22,750	3,833	2,973	4,720
16,750	16,800	2,351	1,834	2,833	19,750	19,800	3,066	2,374	3,746	22,750	22,800	3,846	2,984	4,736
16,800	16,850	2,362	1,843	2,847	19,800	19,850	3,079	2,383	3,763	22,800	22,850	3,859	2,995	4,753
16,850	16,900	2,374	1,852	2,861	19,850	19,900	3,092	2,392	3,779	22,850	22,900	3,872	3,006	4,769
16,900	16,950	2,385	1,861	2,875	19,900	19,950	3,105	2,401	3,796	22,900	22,950	3,885	3,017	4,786
16,950	17,000	2,397	1,870	2,889	19,950	20,000	3,118	2,410	3,812	22,950	23,000	3,898	3,028	4,802

Continued on next page

1985 Tax Table—Continued

If line 39 (taxable income) is—		And you are—			If line 39 (taxable income) is—		And you are—			If line 39 (taxable income) is—		And you are—		
At least	But less than	Single	Qualifying Widow(er)	Married filing separately	At least	But less than	Single	Qualifying Widow(er)	Married filing separately	At least	But less than	Single	Qualifying Widow(er)	Married filing separately
		Your tax is—					Your tax is—					Your tax is—		
23,000					**26,000**					**29,000**				
23,000	23,050	3,911	3,039	4,819	26,000	26,050	4,753	3,712	5,918	29,000	29,050	5,653	4,462	7,058
23,050	23,100	3,924	3,050	4,835	26,050	26,100	4,768	3,724	5,937	29,050	29,100	5,668	4,474	7,077
23,100	23,150	3,937	3,061	4,852	26,100	26,150	4,783	3,737	5,956	29,100	29,150	5,683	4,487	7,096
23,150	23,200	3,950	3,072	4,868	26,150	26,200	4,798	3,749	5,975	29,150	29,200	5,698	4,499	7,115
23,200	23,250	3,963	3,083	4,885	26,200	26,250	4,813	3,762	5,994	29,200	29,250	5,713	4,512	7,134
23,250	23,300	3,976	3,094	4,901	26,250	26,300	4,828	3,774	6,013	29,250	29,300	5,728	4,524	7,153
23,300	23,350	3,989	3,105	4,918	26,300	26,350	4,843	3,787	6,032	29,300	29,350	5,743	4,537	7,172
23,350	23,400	4,002	3,116	4,934	26,350	26,400	4,858	3,799	6,051	29,350	29,400	5,758	4,549	7,191
23,400	23,450	4,015	3,127	4,951	26,400	26,450	4,873	3,812	6,070	29,400	29,450	5,773	4,562	7,210
23,450	23,500	4,028	3,138	4,967	26,450	26,500	4,888	3,824	6,089	29,450	29,500	5,788	4,574	7,229
23,500	23,550	4,041	3,149	4,984	26,500	26,550	4,903	3,837	6,108	29,500	29,550	5,803	4,587	7,248
23,550	23,600	4,054	3,160	5,000	26,550	26,600	4,918	3,849	6,127	29,550	29,600	5,818	4,599	7,267
23,600	23,650	4,067	3,171	5,017	26,600	26,650	4,933	3,862	6,146	29,600	29,650	5,833	4,612	7,286
23,650	23,700	4,080	3,182	5,033	26,650	26,700	4,948	3,874	6,165	29,650	29,700	5,848	4,624	7,305
23,700	23,750	4,093	3,193	5,050	26,700	26,750	4,963	3,887	6,184	29,700	29,750	5,863	4,637	7,324
23,750	23,800	4,106	3,204	5,066	26,750	26,800	4,978	3,899	6,203	29,750	29,800	5,878	4,649	7,343
23,800	23,850	4,119	3,215	5,083	26,800	26,850	4,993	3,912	6,222	29,800	29,850	5,893	4,662	7,362
23,850	23,900	4,132	3,226	5,101	26,850	26,900	5,008	3,924	6,241	29,850	29,900	5,908	4,674	7,381
23,900	23,950	4,145	3,237	5,120	26,900	26,950	5,023	3,937	6,260	29,900	29,950	5,923	4,687	7,400
23,950	24,000	4,158	3,248	5,139	26,950	27,000	5,038	3,949	6,279	29,950	30,000	5,938	4,699	7,419
24,000					**27,000**					**30,000**				
24,000	24,050	4,171	3,259	5,158	27,000	27,050	5,053	3,962	6,298	30,000	30,050	5,955	4,712	7,438
24,050	24,100	4,184	3,270	5,177	27,050	27,100	5,068	3,974	6,317	30,050	30,100	5,972	4,724	7,457
24,100	24,150	4,197	3,281	5,196	27,100	27,150	5,083	3,987	6,336	30,100	30,150	5,989	4,737	7,476
24,150	24,200	4,210	3,292	5,215	27,150	27,200	5,098	3,999	6,355	30,150	30,200	6,006	4,749	7,495
24,200	24,250	4,223	3,303	5,234	27,200	27,250	5,113	4,012	6,374	30,200	30,250	6,023	4,762	7,514
24,250	24,300	4,236	3,314	5,253	27,250	27,300	5,128	4,024	6,393	30,250	30,300	6,040	4,774	7,533
24,300	24,350	4,249	3,325	5,272	27,300	27,350	5,143	4,037	6,412	30,300	30,350	6,057	4,787	7,552
24,350	24,400	4,262	3,336	5,291	27,350	27,400	5,158	4,049	6,431	30,350	30,400	6,074	4,799	7,571
24,400	24,450	4,275	3,347	5,310	27,400	27,450	5,173	4,062	6,450	30,400	30,450	6,091	4,812	7,590
24,450	24,500	4,288	3,358	5,329	27,450	27,500	5,188	4,074	6,469	30,450	30,500	6,108	4,824	7,609
24,500	24,550	4,303	3,369	5,348	27,500	27,550	5,203	4,087	6,488	30,500	30,550	6,125	4,837	7,628
24,550	24,600	4,318	3,380	5,367	27,550	27,600	5,218	4,099	6,507	30,550	30,600	6,142	4,849	7,647
24,600	24,650	4,333	3,391	5,386	27,600	27,650	5,233	4,112	6,526	30,600	30,650	6,159	4,862	7,666
24,650	24,700	4,348	3,402	5,405	27,650	27,700	5,248	4,124	6,545	30,650	30,700	6,176	4,874	7,685
24,700	24,750	4,363	3,413	5,424	27,700	27,750	5,263	4,137	6,564	30,700	30,750	6,193	4,887	7,704
24,750	24,800	4,378	3,424	5,443	27,750	27,800	5,278	4,149	6,583	30,750	30,800	6,210	4,899	7,723
24,800	24,850	4,393	3,435	5,462	27,800	27,850	5,293	4,162	6,602	30,800	30,850	6,227	4,912	7,742
24,850	24,900	4,408	3,446	5,481	27,850	27,900	5,308	4,174	6,621	30,850	30,900	6,244	4,924	7,761
24,900	24,950	4,423	3,457	5,500	27,900	27,950	5,323	4,187	6,640	30,900	30,950	6,261	4,937	7,780
24,950	25,000	4,438	3,468	5,519	27,950	28,000	5,338	4,199	6,659	30,950	31,000	6,278	4,949	7,799
25,000					**28,000**					**31,000**				
25,000	25,050	4,453	3,479	5,538	28,000	28,050	5,353	4,212	6,678	31,000	31,050	6,295	4,962	7,818
25,050	25,100	4,468	3,490	5,557	28,050	28,100	5,368	4,224	6,697	31,050	31,100	6,312	4,974	7,837
25,100	25,150	4,483	3,501	5,576	28,100	28,150	5,383	4,237	6,716	31,100	31,150	6,329	4,987	7,856
25,150	25,200	4,498	3,512	5,595	28,150	28,200	5,398	4,249	6,735	31,150	31,200	6,346	5,001	7,875
25,200	25,250	4,513	3,523	5,614	28,200	28,250	5,413	4,262	6,754	31,200	31,250	6,363	5,015	7,894
25,250	25,300	4,528	3,534	5,633	28,250	28,300	5,428	4,274	6,773	31,250	31,300	6,380	5,029	7,915
25,300	25,350	4,543	3,545	5,652	28,300	28,350	5,443	4,287	6,792	31,300	31,350	6,397	5,043	7,936
25,350	25,400	4,558	3,556	5,671	28,350	28,400	5,458	4,299	6,811	31,350	31,400	6,414	5,057	7,957
25,400	25,450	4,573	3,567	5,690	28,400	28,450	5,473	4,312	6,830	31,400	31,450	6,431	5,071	7,978
25,450	25,500	4,588	3,578	5,709	28,450	28,500	5,488	4,324	6,849	31,450	31,500	6,448	5,085	7,999
25,500	25,550	4,603	3,589	5,728	28,500	28,550	5,503	4,337	6,868	31,500	31,550	6,465	5,099	8,020
25,550	25,600	4,618	3,600	5,747	28,550	28,600	5,518	4,349	6,887	31,550	31,600	6,482	5,113	8,041
25,600	25,650	4,633	3,612	5,766	28,600	28,650	5,533	4,362	6,906	31,600	31,650	6,499	5,127	8,062
25,650	25,700	4,648	3,624	5,785	28,650	28,700	5,548	4,374	6,925	31,650	31,700	6,516	5,141	8,083
25,700	25,750	4,663	3,637	5,804	28,700	28,750	5,563	4,387	6,944	31,700	31,750	6,533	5,155	8,104
25,750	25,800	4,678	3,649	5,823	28,750	28,800	5,578	4,399	6,963	31,750	31,800	6,550	5,169	8,125
25,800	25,850	4,693	3,662	5,842	28,800	28,850	5,593	4,412	6,982	31,800	31,850	6,567	5,183	8,146
25,850	25,900	4,708	3,674	5,861	28,850	28,900	5,608	4,424	7,001	31,850	31,900	6,584	5,197	8,167
25,900	25,950	4,723	3,687	5,880	28,900	28,950	5,623	4,437	7,020	31,900	31,950	6,601	5,211	8,188
25,950	26,000	4,738	3,699	5,899	28,950	29,000	5,638	4,449	7,039	31,950	32,000	6,618	5,225	8,209

Continued on next page

1985 Tax Table—Continued

If line 39 (taxable income) is—		And you are—			If line 39 (taxable income) is—		And you are—			If line 39 (taxable income) is—		And you are—		
At least	But less than	Single	Qualifying Widow(er)	Married filing separately	At least	But less than	Single	Qualifying Widow(er)	Married filing separately	At least	But less than	Single	Qualifying Widow(er)	Married filing separately
		Your tax is—					Your tax is—					Your tax is—		
32,000					**35,000**					**38,000**				
32,000	32,050	6,635	5,239	8,230	35,000	35,050	7,655	6,079	9,490	38,000	38,050	8,777	6,989	10,750
32,050	32,100	6,652	5,253	8,251	35,050	35,100	7,672	6,093	9,511	38,050	38,100	8,796	7,005	10,771
32,100	32,150	6,669	5,267	8,272	35,100	35,150	7,689	6,107	9,532	38,100	38,150	8,815	7,022	10,792
32,150	32,200	6,686	5,281	8,293	35,150	35,200	7,706	6,121	9,553	38,150	38,200	8,834	7,038	10,813
32,200	32,250	6,703	5,295	8,314	35,200	35,250	7,723	6,135	9,574	38,200	38,250	8,853	7,055	10,834
32,250	32,300	6,720	5,309	8,335	35,250	35,300	7,740	6,149	9,595	38,250	38,300	8,872	7,071	10,855
32,300	32,350	6,737	5,323	8,356	35,300	35,350	7,757	6,163	9,616	38,300	38,350	8,891	7,088	10,876
32,350	32,400	6,754	5,337	8,377	35,350	35,400	7,774	6,177	9,637	38,350	38,400	8,910	7,104	10,897
32,400	32,450	6,771	5,351	8,398	35,400	35,450	7,791	6,191	9,658	38,400	38,450	8,929	7,121	10,918
32,450	32,500	6,788	5,365	8,419	35,450	35,500	7,808	6,205	9,679	38,450	38,500	8,948	7,137	10,939
32,500	32,550	6,805	5,379	8,440	35,500	35,550	7,827	6,219	9,700	38,500	38,550	8,967	7,154	10,960
32,550	32,600	6,822	5,393	8,461	35,550	35,600	7,846	6,233	9,721	38,550	38,600	8,986	7,170	10,981
32,600	32,650	6,839	5,407	8,482	35,600	35,650	7,865	6,247	9,742	38,600	38,650	9,005	7,187	11,002
32,650	32,700	6,856	5,421	8,503	35,650	35,700	7,884	6,261	9,763	38,650	38,700	9,024	7,203	11,023
32,700	32,750	6,873	5,435	8,524	35,700	35,750	7,903	6,275	9,784	38,700	38,750	9,043	7,220	11,044
32,750	32,800	6,890	5,449	8,545	35,750	35,800	7,922	6,289	9,805	38,750	38,800	9,062	7,236	11,065
32,800	32,850	6,907	5,463	8,566	35,800	35,850	7,941	6,303	9,826	38,800	38,850	9,081	7,253	11,086
32,850	32,900	6,924	5,477	8,587	35,850	35,900	7,960	6,317	9,847	38,850	38,900	9,100	7,269	11,107
32,900	32,950	6,941	5,491	8,608	35,900	35,950	7,979	6,331	9,868	38,900	38,950	9,119	7,286	11,128
32,950	33,000	6,958	5,505	8,629	35,950	36,000	7,998	6,345	9,889	38,950	39,000	9,138	7,302	11,149
33,000					**36,000**					**39,000**				
33,000	33,050	6,975	5,519	8,650	36,000	36,050	8,017	6,359	9,910	39,000	39,050	9,157	7,319	11,170
33,050	33,100	6,992	5,533	8,671	36,050	36,100	8,036	6,373	9,931	39,050	39,100	9,176	7,335	11,191
33,100	33,150	7,009	5,547	8,692	36,100	36,150	8,055	6,387	9,952	39,100	39,150	9,195	7,352	11,212
33,150	33,200	7,026	5,561	8,713	36,150	36,200	8,074	6,401	9,973	39,150	39,200	9,214	7,368	11,233
33,200	33,250	7,043	5,575	8,734	36,200	36,250	8,093	6,415	9,994	39,200	39,250	9,233	7,385	11,254
33,250	33,300	7,060	5,589	8,755	36,250	36,300	8,112	6,429	10,015	39,250	39,300	9,252	7,401	11,275
33,300	33,350	7,077	5,603	8,776	36,300	36,350	8,131	6,443	10,036	39,300	39,350	9,271	7,418	11,296
33,350	33,400	7,094	5,617	8,797	36,350	36,400	8,150	6,457	10,057	39,350	39,400	9,290	7,434	11,317
33,400	33,450	7,111	5,631	8,818	36,400	36,450	8,169	6,471	10,078	39,400	39,450	9,309	7,451	11,338
33,450	33,500	7,128	5,645	8,839	36,450	36,500	8,188	6,485	10,099	39,450	39,500	9,328	7,467	11,359
33,500	33,550	7,145	5,659	8,860	36,500	36,550	8,207	6,499	10,120	39,500	39,550	9,347	7,484	11,380
33,550	33,600	7,162	5,673	8,881	36,550	36,600	8,226	6,513	10,141	39,550	39,600	9,366	7,500	11,401
33,600	33,650	7,179	5,687	8,902	36,600	36,650	8,245	6,527	10,162	39,600	39,650	9,385	7,517	11,422
33,650	33,700	7,196	5,701	8,923	36,650	36,700	8,264	6,543	10,183	39,650	39,700	9,404	7,533	11,443
33,700	33,750	7,213	5,715	8,944	36,700	36,750	8,283	6,560	10,204	39,700	39,750	9,423	7,550	11,464
33,750	33,800	7,230	5,729	8,965	36,750	36,800	8,302	6,576	10,225	39,750	39,800	9,442	7,566	11,485
33,800	33,850	7,247	5,743	8,986	36,800	36,850	8,321	6,593	10,246	39,800	39,850	9,461	7,583	11,506
33,850	33,900	7,264	5,757	9,007	36,850	36,900	8,340	6,609	10,267	39,850	39,900	9,480	7,599	11,527
33,900	33,950	7,281	5,771	9,028	36,900	36,950	8,359	6,626	10,288	39,900	39,950	9,499	7,616	11,548
33,950	34,000	7,298	5,785	9,049	36,950	37,000	8,378	6,642	10,309	39,950	40,000	9,518	7,632	11,569
34,000					**37,000**					**40,000**				
34,000	34,050	7,315	5,799	9,070	37,000	37,050	8,397	6,659	10,330	40,000	40,050	9,537	7,649	11,590
34,050	34,100	7,332	5,813	9,091	37,050	37,100	8,416	6,675	10,351	40,050	40,100	9,556	7,665	11,611
34,100	34,150	7,349	5,827	9,112	37,100	37,150	8,435	6,692	10,372	40,100	40,150	9,575	7,682	11,632
34,150	34,200	7,366	5,841	9,133	37,150	37,200	8,454	6,708	10,393	40,150	40,200	9,594	7,698	11,653
34,200	34,250	7,383	5,855	9,154	37,200	37,250	8,473	6,725	10,414	40,200	40,250	9,613	7,715	11,674
34,250	34,300	7,400	5,869	9,175	37,250	37,300	8,492	6,741	10,435	40,250	40,300	9,632	7,731	11,695
34,300	34,350	7,417	5,883	9,196	37,300	37,350	8,511	6,758	10,456	40,300	40,350	9,651	7,748	11,716
34,350	34,400	7,434	5,897	9,217	37,350	37,400	8,530	6,774	10,477	40,350	40,400	9,670	7,764	11,737
34,400	34,450	7,451	5,911	9,238	37,400	37,450	8,549	6,791	10,498	40,400	40,450	9,689	7,781	11,758
34,450	34,500	7,468	5,925	9,259	37,450	37,500	8,568	6,807	10,519	40,450	40,500	9,708	7,797	11,779
34,500	34,550	7,485	5,939	9,280	37,500	37,550	8,587	6,824	10,540	40,500	40,550	9,727	7,814	11,800
34,550	34,600	7,502	5,953	9,301	37,550	37,600	8,606	6,840	10,561	40,550	40,600	9,746	7,830	11,821
34,600	34,650	7,519	5,967	9,322	37,600	37,650	8,625	6,857	10,582	40,600	40,650	9,765	7,847	11,842
34,650	34,700	7,536	5,981	9,343	37,650	37,700	8,644	6,873	10,603	40,650	40,700	9,784	7,863	11,863
34,700	34,750	7,553	5,995	9,364	37,700	37,750	8,663	6,890	10,624	40,700	40,750	9,803	7,880	11,884
34,750	34,800	7,570	6,009	9,385	37,750	37,800	8,682	6,906	10,645	40,750	40,800	9,822	7,896	11,905
34,800	34,850	7,587	6,023	9,406	37,800	37,850	8,701	6,923	10,666	40,800	40,850	9,841	7,913	11,926
34,850	34,900	7,604	6,037	9,427	37,850	37,900	8,720	6,939	10,687	40,850	40,900	9,860	7,929	11,947
34,900	34,950	7,621	6,051	9,448	37,900	37,950	8,739	6,956	10,708	40,900	40,950	9,879	7,946	11,968
34,950	35,000	7,638	6,065	9,469	37,950	38,000	8,758	6,972	10,729	40,950	41,000	9,898	7,962	11,989

Continued on next page

1985 Tax Table—Continued

If line 39 (taxable income) is—		And you are—			If line 39 (taxable income) is—		And you are—			If line 39 (taxable income) is—		And you are—		
At least	But less than	Single	Qualifying Widow(er)	Married filing separately	At least	But less than	Single	Qualifying Widow(er)	Married filing separately	At least	But less than	Single	Qualifying Widow(er)	Married filing separately
		Your tax is—					Your tax is—					Your tax is—		
41,000					**44,000**					**47,000**				
41,000	41,050	9,917	7,979	12,010	44,000	44,050	11,090	8,969	13,270	47,000	47,050	12,350	9,959	14,604
41,050	41,100	9,936	7,995	12,031	44,050	44,100	11,111	8,985	13,291	47,050	47,100	12,371	9,975	14,627
41,100	41,150	9,955	8,012	12,052	44,100	44,150	11,132	9,002	13,312	47,100	47,150	12,392	9,992	14,649
41,150	41,200	9,974	8,028	12,073	44,150	44,200	11,153	9,018	13,333	47,150	47,200	12,413	10,008	14,672
41,200	41,250	9,993	8,045	12,094	44,200	44,250	11,174	9,035	13,354	47,200	47,250	12,434	10,025	14,694
41,250	41,300	10,012	8,061	12,115	44,250	44,300	11,195	9,051	13,375	47,250	47,300	12,455	10,041	14,717
41,300	41,350	10,031	8,078	12,136	44,300	44,350	11,216	9,068	13,396	47,300	47,350	12,476	10,058	14,739
41,350	41,400	10,050	8,094	12,157	44,350	44,400	11,237	9,084	13,417	47,350	47,400	12,497	10,074	14,762
41,400	41,450	10,069	8,111	12,178	44,400	44,450	11,258	9,101	13,438	47,400	47,450	12,518	10,091	14,784
41,450	41,500	10,088	8,127	12,199	44,450	44,500	11,279	9,117	13,459	47,450	47,500	12,539	10,107	14,807
41,500	41,550	10,107	8,144	12,220	44,500	44,550	11,300	9,134	13,480	47,500	47,550	12,560	10,124	14,829
41,550	41,600	10,126	8,160	12,241	44,550	44,600	11,321	9,150	13,502	47,550	47,600	12,581	10,140	14,852
41,600	41,650	10,145	8,177	12,262	44,600	44,650	11,342	9,167	13,524	47,600	47,650	12,602	10,157	14,874
41,650	41,700	10,164	8,193	12,283	44,650	44,700	11,363	9,183	13,547	47,650	47,700	12,623	10,174	14,897
41,700	41,750	10,183	8,210	12,304	44,700	44,750	11,384	9,200	13,569	47,700	47,750	12,644	10,193	14,919
41,750	41,800	10,202	8,226	12,325	44,750	44,800	11,405	9,216	13,592	47,750	47,800	12,665	10,212	14,942
41,800	41,850	10,221	8,243	12,346	44,800	44,850	11,426	9,233	13,614	47,800	47,850	12,686	10,231	14,964
41,850	41,900	10,240	8,259	12,367	44,850	44,900	11,447	9,249	13,637	47,850	47,900	12,707	10,250	14,987
41,900	41,950	10,259	8,276	12,388	44,900	44,950	11,468	9,266	13,659	47,900	47,950	12,728	10,269	15,009
41,950	42,000	10,278	8,292	12,409	44,950	45,000	11,489	9,282	13,682	47,950	48,000	12,749	10,288	15,032
42,000					**45,000**					**48,000**				
42,000	42,050	10,297	8,309	12,430	45,000	45,050	11,510	9,299	13,704	48,000	48,050	12,770	10,307	15,054
42,050	42,100	10,316	8,325	12,451	45,050	45,100	11,531	9,315	13,727	48,050	48,100	12,791	10,326	15,077
42,100	42,150	10,335	8,342	12,472	45,100	45,150	11,552	9,332	13,749	48,100	48,150	12,812	10,345	15,099
42,150	42,200	10,354	8,358	12,493	45,150	45,200	11,573	9,348	13,772	48,150	48,200	12,833	10,364	15,122
42,200	42,250	10,373	8,375	12,514	45,200	45,250	11,594	9,365	13,794	48,200	48,250	12,854	10,383	15,144
42,250	42,300	10,392	8,391	12,535	45,250	45,300	11,615	9,381	13,817	48,250	48,300	12,875	10,402	15,167
42,300	42,350	10,411	8,408	12,556	45,300	45,350	11,636	9,398	13,839	48,300	48,350	12,896	10,421	15,189
42,350	42,400	10,430	8,424	12,577	45,350	45,400	11,657	9,414	13,862	48,350	48,400	12,917	10,440	15,212
42,400	42,450	10,449	8,441	12,598	45,400	45,450	11,678	9,431	13,884	48,400	48,450	12,938	10,459	15,234
42,450	42,500	10,468	8,457	12,619	45,450	45,500	11,699	9,447	13,907	48,450	48,500	12,959	10,478	15,257
42,500	42,550	10,487	8,474	12,640	45,500	45,550	11,720	9,464	13,929	48,500	48,550	12,980	10,497	15,279
42,550	42,600	10,506	8,490	12,661	45,550	45,600	11,741	9,480	13,952	48,550	48,600	13,001	10,516	15,302
42,600	42,650	10,525	8,507	12,682	45,600	45,650	11,762	9,497	13,974	48,600	48,650	13,022	10,535	15,324
42,650	42,700	10,544	8,523	12,703	45,650	45,700	11,783	9,513	13,997	48,650	48,700	13,043	10,554	15,347
42,700	42,750	10,563	8,540	12,724	45,700	45,750	11,804	9,530	14,019	48,700	48,750	13,064	10,573	15,369
42,750	42,800	10,582	8,556	12,745	45,750	45,800	11,825	9,546	14,042	48,750	48,800	13,085	10,592	15,392
42,800	42,850	10,601	8,573	12,766	45,800	45,850	11,846	9,563	14,064	48,800	48,850	13,106	10,611	15,414
42,850	42,900	10,620	8,589	12,787	45,850	45,900	11,867	9,579	14,087	48,850	48,900	13,127	10,630	15,437
42,900	42,950	10,639	8,606	12,808	45,900	45,950	11,888	9,596	14,109	48,900	48,950	13,148	10,649	15,459
42,950	43,000	10,658	8,622	12,829	45,950	46,000	11,909	9,612	14,132	48,950	49,000	13,169	10,668	15,482
43,000					**46,000**					**49,000**				
43,000	43,050	10,677	8,639	12,850	46,000	46,050	11,930	9,629	14,154	49,000	49,050	13,190	10,687	15,504
43,050	43,100	10,696	8,655	12,871	46,050	46,100	11,951	9,645	14,177	49,050	49,100	13,211	10,706	15,527
43,100	43,150	10,715	8,672	12,892	46,100	46,150	11,972	9,662	14,199	49,100	49,150	13,232	10,725	15,549
43,150	43,200	10,734	8,688	12,913	46,150	46,200	11,993	9,678	14,222	49,150	49,200	13,253	10,744	15,572
43,200	43,250	10,754	8,705	12,934	46,200	46,250	12,014	9,695	14,244	49,200	49,250	13,274	10,763	15,594
43,250	43,300	10,775	8,721	12,955	46,250	46,300	12,035	9,711	14,267	49,250	49,300	13,295	10,782	15,617
43,300	43,350	10,796	8,738	12,976	46,300	46,350	12,056	9,728	14,289	49,300	49,350	13,316	10,801	15,639
43,350	43,400	10,817	8,754	12,997	46,350	46,400	12,077	9,744	14,312	49,350	49,400	13,337	10,820	15,662
43,400	43,450	10,838	8,771	13,018	46,400	46,450	12,098	9,761	14,334	49,400	49,450	13,358	10,839	15,684
43,450	43,500	10,859	8,787	13,039	46,450	46,500	12,119	9,777	14,357	49,450	49,500	13,379	10,858	15,707
43,500	43,550	10,880	8,804	13,060	46,500	46,550	12,140	9,794	14,379	49,500	49,550	13,400	10,877	15,729
43,550	43,600	10,901	8,820	13,081	46,550	46,600	12,161	9,810	14,402	49,550	49,600	13,421	10,896	15,752
43,600	43,650	10,922	8,837	13,102	46,600	46,650	12,182	9,827	14,424	49,600	49,650	13,442	10,915	15,774
43,650	43,700	10,943	8,853	13,123	46,650	46,700	12,203	9,843	14,447	49,650	49,700	13,463	10,934	15,797
43,700	43,750	10,964	8,870	13,144	46,700	46,750	12,224	9,860	14,469	49,700	49,750	13,484	10,953	15,819
43,750	43,800	10,985	8,886	13,165	46,750	46,800	12,245	9,876	14,492	49,750	49,800	13,505	10,972	15,842
43,800	43,850	11,006	8,903	13,186	46,800	46,850	12,266	9,893	14,514	49,800	49,850	13,526	10,991	15,864
43,850	43,900	11,027	8,919	13,207	46,850	46,900	12,287	9,909	14,537	49,850	49,900	13,547	11,010	15,887
43,900	43,950	11,048	8,936	13,228	46,900	46,950	12,308	9,926	14,559	49,900	49,950	13,568	11,029	15,909
43,950	44,000	11,069	8,952	13,249	46,950	47,000	12,329	9,942	14,582	49,950	50,000	13,589	11,048	15,932

50,000 or over—use tax rate schedules

1985 Tax Rate Schedules

If you cannot use the Tax Table, because your taxable income is $50,000 or more, or if you are filing for an estate or trust, figure your tax on the amount on Form 1040NR, line 39, by using the appropriate Tax Rate Schedule on this page. Enter the tax on Form 1040NR, line 40.

Note: *The zero bracket amount has been built into the Tax Rate Schedules X, Y, and Z.*

Schedule W
Estates or Trusts

Use this schedule for a nonresident alien estate or trust—

If the amount on Form 1040NR, line 39 is: Over—	but not over—	Enter on Form 1040NR, line 40:	of the amount over—
$0	$1,090	—0— + 11%	$0
1,090	2,185	$119.90 + 12%	1,090
2,185	4,425	251.30 + 14%	2,185
4,425	6,555	564.90 + 16%	4,425
6,555	8,740	905.70 + 18%	6,555
8,740	11,030	1,299.00 + 22%	8,740
11,030	13,790	1,802.80 + 25%	11,030
13,790	16,545	2,492.80 + 28%	13,790
16,545	22,065	3,264.20 + 33%	16,545
22,065	29,455	5,085.80 + 38%	22,065
29,455	42,775	7,894.00 + 42%	29,455
42,775	55,160	13,488.40 + 45%	42,775
55,160	82,740	19,061.65 + 49%	55,160
82,740	.....	32,575.85 + 50%	82,740

Schedule X
Single Taxpayers

Use this schedule if you checked **Filing Status Box 1 or 2** on Form 1040NR—

If the amount on Form 1040NR, line 39 is: Over—	but not over—	Enter on Form 1040NR, line 40:	of the amount over—
$0	$2,390	—0—	
2,390	3,540	.....11%	$2,390
3,540	4,580	$126.50 + 12%	3,540
4,580	6,760	251.30 + 14%	4,580
6,760	8,850	556.50 + 15%	6,760
8,850	11,240	870.00 + 16%	8,850
11,240	13,430	1,252.40 + 18%	11,240
13,430	15,610	1,646.60 + 20%	13,430
15,610	18,940	2,082.60 + 23%	15,610
18,940	24,460	2,848.50 + 26%	18,940
24,460	29,970	4,283.70 + 30%	24,460
29,970	35,490	5,936.70 + 34%	29,970
35,490	43,190	7,813.50 + 38%	35,490
43,190	57,550	10,739.50 + 42%	43,190
57,550	85,130	16,770.70 + 48%	57,550
85,130	.....	30,009.10 + 50%	85,130

Schedule Y
Married Filing Separate Returns

Use this schedule if you checked **Filing Status Box 3, 4, or 5** on Form 1040NR—

If the amount on Form 1040NR, line 39 is: Over—	but not over—	Enter on Form 1040NR, line 40:	of the amount over—
$0	$1,770	—0—	
1,770	2,860	.....11%	$1,770
2,860	3,955	$119.90 + 12%	2,860
3,955	6,195	251.30 + 14%	3,955
6,195	8,325	564.90 + 16%	6,195
8,325	10,510	905.70 + 18%	8,325
10,510	12,800	1,299.00 + 22%	10,510
12,800	15,560	1,802.80 + 25%	12,800
15,560	18,315	2,492.80 + 28%	15,560
18,315	23,835	3,264.20 + 33%	18,315
23,835	31,225	5,085.80 + 38%	23,835
31,225	44,545	7,894.00 + 42%	31,225
44,545	56,930	13,488.40 + 45%	44,545
56,930	84,510	19,061.65 + 49%	56,930
84,510	.....	32,575.85 + 50%	84,510

Schedule Z
Qualifying Widows and Widowers

Use this schedule if you checked **Filing Status Box 6** on Form 1040NR—

If the amount on Form 1040NR, line 39 is: Over—	but not over—	Enter on Form 1040NR, line 40:	of the amount over—
$0	$3,540	—0—	
3,540	5,720	.....11%	$3,540
5,720	7,910	$239.80 + 12%	5,720
7,910	12,390	502.60 + 14%	7,910
12,390	16,650	1,129.80 + 16%	12,390
16,650	21,020	1,811.40 + 18%	16,650
21,020	25,600	2,598.00 + 22%	21,020
25,600	31,120	3,605.60 + 25%	25,600
31,120	36,630	4,985.60 + 28%	31,120
36,630	47,670	6,528.40 + 33%	36,630
47,670	62,450	10,171.60 + 38%	47,670
62,450	89,090	15,788.00 + 42%	62,450
89,090	113,860	26,976.80 + 45%	89,090
113,860	169,020	38,123.30 + 49%	113,860
169,020	.....	65,151.70 + 50%	169,020

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